



MBOMBELA LOCAL MUNICIPALITY

FINAL 2014/2015 – 2016/2017 ANNUAL BUDGET AND MEDIUM- TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)

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ABBREVIATIONS, ACRONYMS AND DEFINITIONS

COGTA – Department of Co-operative Governance and Traditional Affairs

CPI – Consumer Price Index Excluding Mortgage Costs

DORA – Division of Revenue Act

GDP - Gross Domestic Product

GRAP – Generally Recognised Accounting Practice

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

MFMA – Municipal Finance Management Act, 56 of 2003

MIG – Municipal Infrastructure Grant

MPRA – Municipal Property Rates Act, 06 of 2004

MSA – Municipal Systems Act, 32 of 2000

MTREF – Medium-term Revenue and Expenditure Framework

NERSA – National Electricity Regulator of South Africa

NT – National Treasury

PT – Provincial Treasury

SDBIP – Service Delivery and Budget Implementation Plan

The Act – Municipal Finance Management Act, 56 of 2003

Adjustment Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Equitable Share – A general grant paid to municipalities.

Operational Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries and wages, and repairs and maintenance.

Rates – Local Government tax based on assessed valuation of a property.

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality for a specific period.

Capital Expenditure – Spending on municipal assets such as property, plant and equipments. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

PART 1 – ANNUAL BUDGET

1.1 MAYOR’S REPORT

2014/2015 MUNICIPAL BUDGET SPEECH BY THE EXECUTIVE MAYOR OF MBOMBELA LOCAL MUNICIPALITY, CLLR S P MATHONSI – 05 JUNE 2014

The Honourable Speaker of council, Cllr J, Sidell

Honourable Chief Whip of council, Cllr P. Manana

Honourable Members of the Mayoral Committee

Honourable Party Whips of Opposition Parties

Honourable Councillors

Honourable Traditional Leaders present

Members of Ward Committees present

Municipal Manager

Senior Management of the municipality

Members of the media

Ladies and Gentlemen

Good afternoon

It is indeed a defining moment for me and I am humbled as the recently appointed Executive Mayor to table the budget for 2014/2015 and the medium-term revenue and expenditure framework that will change lives of the citizens of the municipality for the better.

Honourable Speaker, I have the honour to table the third budget of this political administration to the August house.

Honourable Speaker and Members of Council, it has been proven with this budget that working together we can do more to improve the lives of our people.

The process of preparing this budget, Honourable Speaker was blessed by the Municipal Council in August 2013 when the Municipal Council approved a 2014/2015 Integrated Development Plan (IDP), Budget, Risk Management and Performance Management Process Plan. The process plan has been used as a roadmap to navigate the journey to arrive to this day of tabling the budget.

We have spent six months from September 2013 until February 2014, Honourable Speaker conducting public participation and consultative processes both internally and externally so that all inputs and priorities

of the citizens of the municipality are catered for on the revised IDP which formed the basis for the process of the preparation of the budget.

Honourable Speaker, the 2011 Census results have proven that the majority of our people are still living in poverty and are not provided with the necessary basic services such as water, electricity, sanitation etc.

The 2011 Census results indicate that the households in the municipality has since 2001 increased by 49 452 households to 161 773 households and population has increased by 111 892 to 588 796. The unemployment rate is at 28.3 per cent, 35 723 households have no access to water, 15 851 households have no access to electricity and 11 623 households have no access to decent sanitation. These statistics reflect the realities in terms of backlogs and socio-economic challenges our people are faced with. This means we have to work harder and smarter together to address this challenges of unemployment and service backlogs to name a few.

Honorable Speaker and Members of Council, I need to point out that as we prepare and put together this budget together, we were also mindful of the fact that the municipality does not exist in isolation or somewhere in space so it will always be influenced by what happens globally, regionally, and nationally guided by the National Development Plan strategic objectives and of course our provincial priorities.

What we are tabling here before this August house, Honourable Speaker, is indeed informed by all these trends and realities that our communities are faced with on a daily basis, however more importantly what our people out there have been yearning for is summed up into five (5) priorities of Government at both national and provincial level. Government has committed itself to make a difference in the lives of our people by addressing the five key priority areas which are education, fighting crime and corruption, health, employment and rural development.

The most critical burning issue nationally, confronting our people is that of water provision. The President of the Republic of South Africa, His Excellence Mr Jacob Zuma has restructured his new cabinet announced on 25 May 2014 by establishing a new ministry that will deal with challenges of water and sanitation.

The water and sanitation provision remains a high priority in the province, this has been noted with the initiatives and interventions that have been put in place by the Provincial Executive Council, headed by the honourable Premier Mr David Mabuza to support and assist municipalities in the province with regard to the provision of water and sanitation.

Honourable Speaker, the municipality as the third sphere of government is not an exception to this burning issue of provision of drinkable water and decent sanitation to our people, in fact the municipality being in the coalface of service delivery is directly affected by this burning issue.

And therefore the water supply or provision remains the one priority on the revised Integrated Development Plan (IDP) of the municipality.

Honourable Speaker, Members of Council and the public note should be taken that the municipality has its own fourteen (14) priorities drawn from National and Provincial strategic objectives and priorities. And this municipal developmental priorities are as follows;

- (a) Water supply;
- (b) Road infrastructure development and storm water;
- (c) Electricity supply and management;
- (d) Integrated human settlement;
- (e) Good governance and public participation;
- (f) Sanitation/sewerage;
- (g) Community development;
- (h) Rural development;
- (i) Economic development;
- (j) Waste and environment management;
- (k) Financial management and viability;
- (l) Public transport;
- (m) 2010 legacy; and
- (n) Revenue enhancement.

The revised IDP priorities tabulated above have been prioritised and allocated with the limited funds available on the budget to the programmes and projects that will be implemented to achieve these priorities.

Honourable Speaker and Members of Council, you would recall that on 28 March 2014 we adopted the 2014/2015 – 2016/2017 draft budget and medium-term revenue and expenditure framework.

And as required in terms of the legislative and regulatory framework, the public participation and consultative process was conducted subsequently, from 11 April until 23 May 2014. The public and stakeholders were afforded an opportunity to make inputs and comments on the adopted draft revised IDP and budget.

Through the public participation and consultative process we have received valuable inputs and comments from members of public and stakeholders. And I must say Honourable Speaker the participation process for this year was phenomenal and I would like to thank each and everyone who has made an effort to participate. And I must also mention that we have considered all inputs and comments on the finalization of the revised IDP and the budget.

The inputs received from five zonal meetings held on 21 and 22 May 2014, especially in the Eastern axis of the municipality were mainly with regard to lack of provision of basic services caused by backlogs on infrastructure to render those basic services such as water, electricity, sanitation etc.

During these consultative meetings, we also met with the organised stakeholders who made inputs and also raised concerns as follows;

- (a) The South African Property Owners Association (SAPOA) welcomed the no increase on property rates tariffs in the 2014/2015 financial year however they raised a concern regarding the general increase of 8 percent particularly the increase of 10.33 percent increase of water and sewerage tariffs in the concession area (Sembcorp – Silulumanzi).*
- (b) The SAPOA is also concerned about the state of revenue collection and arrears in rates and service charges and want to know what plan of action the municipality will implement to improve revenue collection.*
- (c) The Riverside Park Precinct Association made a recommendation that there should be budget allocation for establishment and support of City Improvement Districts (CIDs) in Mbombela.*
- (d) A recommendation was received from Aksion Plan Group that there should be a budget allocation towards the upgrade of bulk infrastructure within intensification zones as per the approved Spatial Development Framework.*
- (e) NAFCOC raised concerns regarding the poor state of the municipal greening and cleaning of parks and open spaces and poor state of the tarred road infrastructure at KaNyamazane old shopping centre.*
- (f) The White River Ratepayers Association raised concern about the state of municipal services provisioning in White River, particularly water, sewerage and the cleanliness of the town.*
- (g) The Kruger Lowveld Chamber of Business and Tourism raised concerned about the institutional governance weaknesses, inefficiencies regarding revenue collection and underperformance on service delivery projects.*

Honourable Speaker, due to the limitation of the funding and resources not all inputs and comments have been considered on the finalisation of the 2014/2015 budget and MTREF however, those inputs and comments not considered will be looked at during the 2015/2016 budgeting process.

FUNDAMENTALS OF 2014/2015 BUDGET AND MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)

Honourable Speaker, in preparing the 2014/2015 – 2016/2017 budget and medium-term revenue and expenditure framework (MTREF), we had six key objectives in our minds to be achieved over the medium-term namely;

- (a) The budget policy framework for the next three years (2014/2015 – 2016/2017) is designed to mitigate risks associated with constrained financial situation, underperformance on service delivery, and governance and institutional challenges;
- (b) The budget will be a mechanism of facilitating the financial turnaround, stability and sustainability over the long term;
- (c) The budget will be a vehicle or mechanism of ensuring the citizens of the municipality are provided with the acceptable levels of services;
- (d) The maintenance of the existing assets and infrastructure base by ensuring adequate repairs and maintenance and renewal;
- (e) The budget will be fundamental to the implementation of the council approved clean audit roadmap; and
- (f) The budget will support and be an enabler for local economic development initiatives and sustainable employment creation.

The mechanisms or measures to put in place to address challenges which might hamper the achievement of the objectives alluded to above will be incorporated on the Service Delivery and Budget Implementation Plan to be made available to the public, 28 days after the approval of the budget today by the municipal council.

ECONOMIC OUTLOOK, GUIDELINES AND ASSUMPTIONS FOR 2014/2015 – 2016/2017 BUDGET AND MTREF

Honourable Speaker, in preparing the budget we had to consider macro and micro environment realities in terms of economic outlook, socioeconomic environment factor and legislative framework.

From the economic outlook and inflation forecast perspective, we have been advised by National Treasury that we need to adopt a conservative approach when projecting our revenue and cashflow for the medium-term due to unfavourable and unstable economic conditions and rising inflationary pressures, and the slow growth pace on global and national economy.

Honourable Speaker due to the unfavourable economic conditions more of our people are unemployed which will result in shrinking of the current revenue base putting pressure on the current municipal revenue and cashflows over the medium-term. The following are the revenue and expenditure projections and

assumptions applied in the preparation of the 2014/2015 budget and the medium-term revenue and expenditure framework.

(a) Revenue generation assumptions

The total grants allocated to the municipality in terms of the 2014 Division of Revenue Bill will amount to R2 879 billion over the medium-term, reflecting an increase of R287 million (11%) and the total allocation for 2014/2015 budget year is R908 million.

The average increase on tariffs for electricity, water, sewerage, and refuse removal services charge will be 7.01 per cent in 2014/2015 and the average increase over the medium-term will be 7.64 per cent. The revenue expected to be generated from rates and services charge will be R1 124 billion in 2014/2015, increasing to R1 334 billion over the medium-term.

Honourable Speaker, it be noted that the property rates tariff will not increase in 2014/2015 due to an implementation of a new general valuation roll on 01 July 2014 and water and sewerage tariffs in the Concession area will increase by 10.33 per cent in 2014/2015.

(b) Operating expenditure guidelines and assumptions

The operating expenditure will increase by an average of 7.9 per cent 2014/2015 and by an average of 7.1 per cent over the medium-term.

The increases on key expenditure drivers will be as follows in 2014/2015;

- The employees remuneration cost will increase by 6.79 per cent to a total cost of R485 million.
- The electricity bulk purchase will increase by 8.06 per cent as per the approval granted to Eskom by the National Energy Regulator of South Africa to a total cost of R446 million.
- The allocation for repairs and maintenance of municipal asset will amount to R119 million.

(c) Capital expenditure assumptions

Honourable Speaker, the capital expenditure will be funded mainly from capital conditional grants allocation which will amount to R417 million in 2014/2015 and increasing to R442 over the medium-term.

The funding from internal generated funds and borrowings will amount to R63 million and R41 million respectively in 2014/2015 and increasing to R112 million over the medium-term. No new borrowings will be undertaken over this medium-term. The R41 million funding from borrowing will come from the long-term borrowing of R160 million taken up by the municipality in October 2013.

The capital expenditure budget allocated for eradication of backlogs for basic services infrastructure will amount to R954 million over the medium-term.

(d) Provision of free basic services

Honourable Speaker, to ensure indigent households have access to basic services, the municipality will continue to provide free basic services on water, electricity and sewerage and grant subsidies at a cost of R138 million in 2014/2015 and 6 221 households will be provided with free basic electricity and 121 thousand households will be provided with free basic water.

The rebates on property rates charge will amount to R121 million in 2014/2015 and the properties with market value of R80 thousand will be fully exempted from property rates charge and we believe the R80 thousand exemption will bring a huge relief to the majority of the indigent households.

(e) Budget implementation support strategies

The following strategies will be implemented with the budget to ensure financial stability and that sustainability is achieved

- (i) Cost curtailment strategy.
- (ii) Review and restructuring of the current cost structure through the implementation of the cost and management accounting structure (Activity based costing system).
- (iii) Improve revenue collection through the implementation of the revenue enhancement strategy.
- (iv) Expand revenue base by implementation of a human settlement and flat rate levy strategies.

Honourable Speaker all the matters I have alluded to above forms the basis of the budget I am tabling today to the municipal council for consideration and approve as per item A(2) on the council agenda;

- (i) The total budget for 2014/2015 amounts to R2 441 billion and increases to R2 736 billion in 2016/2017;
- (ii) The operating expenditure budget for 2014/2015 amounts to R1 918 billion and increases to R2 182 billion in 2016/2017;
- (iii) The operating revenue budget for 2014/2015 amounts to R1 728 billion and increases to R2 097 billion in 2016/2017; and
- (iv) The capital expenditure budget for next financial year amounts to R523 million and increases to R554 million in 2016/2017.

The municipality will be spending in the next three years R954 million (62 per cent) of the total capital expenditure budget on services infrastructure development to address backlogs with regard to water provision, roads and stormwater management, sanitation, community facilities and electricity supply and management.

The allocation of the capital expenditure budget towards the five main priorities of the municipality is as follows;

- For bulk water infrastructure and reticulation networks, a budget allocation of R276 million over the medium-term has been provided for – R69 million has been allocated for 2014/2015. The construction work on the bulk water schemes namely; Karino and Nyongane water schemes will be continued to ensure our people are provided with drinkable water in the near future.
- Allocation for renewal and construction of new roads and stormwater systems amounts to R181 million over the medium-term – R79 million has been allocated for 2014/2015. 24 kilometres of bus routes will be upgraded from gravel to tar roads.
- Allocation for renewal and construction of new electricity infrastructure amounts to R82 million over the medium-term – R18 million has been allocated for 2014/2015. The number of household to be electrified in 2014/2015 will be 700 and 4 substations will be upgraded at a cost of R17 million over the medium-term.
- Allocation for renewal and construction of new sewerage infrastructure and provision of sanitation facilities will amount to R140 million over the medium-term – R55 million has been allocated for 2014/2015. 402 households will be provided with decent toilets, 832 households will be provided with water borne sewerage system at a cost of R48 million in 2014/2015.
- Allocation for construction of new community halls and recreation facilities will amount to R76 million over the medium-term. The allocation for 2014/2015 will amount to R40 million. 3 new community halls will be constructed at a cost of R18 million.

As I conclude, Honourable Speaker our appreciation goes to the citizens of Mbombela for the belief and trust they have on the municipality and the ruling party and the other parties in Council. And I would like to assure our citizens that we will indeed deliver on the mandates given to us and we dare not fail them.

I would also like to extend my warmest words of appreciation to the administration team led by the Acting Municipal Manager and the Members of Mayoral Committee for the support and assistance in putting together the budget I am tabling before the August house today.

To this end Honourable Speaker and the esteemed Members of Council I hereby table the 2014/2015 – 2016/2017 budget and medium-term revenue and expenditure framework for consideration and approval by the municipal council.

I thank you

1.2 COUNCIL RESOLUTIONS

On 05 June 2014, under item A(2), the council of Mbombela Local Municipality met in its council chambers to consider and approve the 2014/2015 – 2016/2017 final annual Budget and Medium-Term Revenue and Expenditure Framework report tabled by the Executive Mayor and resolved that;

- (a) Council take note of the content of the report;
- (b) the final budget and medium term revenue and expenditure framework (MTREF) consisting of an operating and capital budget for 2014/2015 – 2016/2017 financial years as summarised in the below schedule, be approved;

MP322 Mbombela - Table A1 Consolidated Budget Summary										
Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance										
Property rates	197 865	245 816	274 317	313 814	304 919	304 919	304 919	324 308	349 919	381 164
Service charges	485 008	586 181	643 307	761 358	738 765	738 765	738 765	800 233	871 227	951 550
Investment revenue	7 729	-	-	5 780	3 956	3 956	3 956	6 226	6 973	7 810
Transfers recognised - operational	320 683	375 143	382 171	346 325	417 460	417 460	417 460	397 237	462 775	505 656
Other own revenue	116 218	126 062	210 084	184 175	184 653	184 653	184 653	200 148	224 165	251 065
Total Revenue (excluding capital transfers and contributions)	1 127 503	1 333 202	1 509 879	1 611 452	1 649 752	1 649 752	1 649 752	1 728 151	1 915 059	2 097 245
Employee costs	368 952	389 231	418 295	450 543	449 022	449 022	449 022	483 443	523 403	566 145
Remuneration of councillors	16 952	19 302	20 925	22 082	26 282	26 282	26 282	27 724	29 360	30 974
Depreciation & asset impairment	283 437	291 288	241 288	282 004	228 668	228 668	228 668	234 411	246 132	258 438
Finance charges	35 869	42 703	48 399	41 602	42 014	42 014	42 014	51 682	51 968	49 889
Materials and bulk purchases	300 328	369 832	419 534	440 481	454 514	454 514	454 514	489 230	528 783	571 347
Transfers and grants	271	271	282	25 601	21 162	21 162	21 162	138 363	148 855	159 548
Other expenditure	455 879	560 428	620 258	587 306	555 811	555 811	555 811	493 600	513 760	545 716
Total Expenditure	1 461 688	1 673 055	1 768 981	1 849 620	1 777 472	1 777 472	1 777 472	1 918 454	2 042 260	2 182 058
Surplus/(Deficit)	(334 185)	(339 853)	(259 103)	(238 168)	(127 720)	(127 720)	(127 720)	(190 302)	(127 201)	(84 813)
Transfers recognised - capital	122 033	89 511	168 277	394 816	444 898	444 898	444 898	511 234	463 703	538 402
Surplus/(Deficit) for the year	(212 152)	(250 342)	(90 825)	156 648	317 178	317 178	317 178	320 932	336 502	453 589
Capital expenditure & funds sources										
Capital expenditure	299 529	204 321	236 732	575 919	605 452	605 452	605 452	522 517	458 580	554 115
Transfers recognised - capital	128 676	90 336	163 788	332 813	441 456	441 456	441 456	418 672	374 516	441 652
Public contributions & donations	5 143	2 886	3 904	2 500	4 500	4 500	4 500	3 150	3 300	3 489
Borrowing	70 140	33 130	28 497	105 050	88 798	88 798	88 798	40 656	-	-
Internally generated funds	97 287	68 597	40 544	135 556	70 698	70 698	70 698	60 039	80 764	108 973
Total sources of capital funds	301 246	194 948	236 732	575 919	605 452	605 452	605 452	522 517	458 580	554 115
Financial position										
Total current assets	147 130	209 942	157 582	319 739	306 215	306 215	306 215	446 828	631 502	834 766
Total non current assets	5 583 796	5 556 114	5 551 872	5 701 656	5 969 822	5 969 822	5 969 822	6 255 304	6 464 711	6 658 647
Total current liabilities	499 937	556 235	647 856	208 560	363 989	363 989	363 989	268 979	300 570	384 300
Total non current liabilities	329 815	468 813	411 415	559 187	406 891	406 891	406 891	476 309	464 035	448 938
Community wealth/Equity	4 901 174	4 741 008	4 650 183	5 253 648	5 505 156	5 505 156	5 505 156	5 956 845	6 331 609	6 660 175
Cash flows										
Net cash from (used) operating	247 384	169 427	236 671	452 794	567 967	567 967	567 967	563 174	590 012	718 907
Net cash from (used) investing	(312 476)	(177 919)	(235 649)	(489 877)	(511 382)	(511 382)	(511 382)	(432 609)	(375 080)	(476 417)
Net cash from (used) financing	137 046	28 511	(17 256)	148 607	105 284	43 133	43 133	60 322	(18 600)	(20 560)
Cash/cash equivalents at the year end	15 773	35 792	19 558	221 680	181 426	119 276	119 276	310 163	506 494	728 424
Cash backing/surplus reconciliation										
Cash and investments available	38 370	49 425	33 255	262 845	222 592	222 592	222 592	344 980	538 858	757 904
Application of cash and investments	280 815	385 873	509 760	115 184	216 964	216 964	216 964	125 725	161 724	256 678
Balance - surplus (shortfall)	(242 445)	(336 448)	(476 506)	147 661	5 628	5 628	5 628	219 255	377 133	501 226
Asset management										
Asset register summary (WDV)	5 560 719	5 541 848	5 537 512	5 660 491	5 928 656	5 928 656	6 216 567	6 216 567	6 424 037	6 615 939
Depreciation & asset impairment	283 437	291 288	241 288	282 004	228 668	228 668	234 411	234 411	246 132	258 438
Renewal of Existing Assets	67 866	43 869	73 709	272 766	393 787	393 787	393 787	315 781	234 912	280 314
Repairs and Maintenance	132 297	133 564	153 645	111 194	111 194	111 194	119 283	119 283	128 641	139 777
Free services										
Cost of Free Basic Services provided	27 813	27 813	50 764	121 160	121 160	121 160	138 363	138 363	148 855	159 548
Revenue cost of free services provided	120 431	120 431	152 994	414 959	414 959	414 959	432 724	432 724	466 615	500 829
Households below minimum service level										
Refuse:	22	22	37	39	39	39	41	41	42	43

- (c) the capital expenditure budget for the 2014/2015 – 2016/2017 financial years, summarised as per table below and the detailed capital projects schedule, as per **annexure 244/14**, be approved;

MP322 Mbombela - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 3 - PLANNING,PERFORMAMNCE & MONITORING		–	–	1 303	9 200	5 218	5 218	5 218	5 450	3 400	7 200
Vote 4 - MUNICIPAL MANAGER		1 777	1 866	180	–	–	–	–	–	–	–
Vote 5 - DEPUTY MUNICIPAL MANAGER		–	–	–	500	6	6	6	–	–	–
Vote 6 - FINANCIAL SERVICES		732	769	1 843	9 450	5 042	5 042	5 042	7 500	14 493	22 366
Vote 8 - CORPORATE SERVICES		2 006	2 106	1 962	12 690	14 102	14 102	14 102	2 250	2 600	1 763
Vote 9 - COMMUNITY SERVICES		47 246	49 608	3 448	36 439	47 556	47 556	47 556	36 744	42 605	48 745
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		11 050	11 603	–	24 890	8 074	8 074	8 074	5 237	10 609	13 893
Vote 11 - TECHNICAL SERVICES		238 434	128 997	216 486	265 926	308 712	308 712	308 712	189 239	383 454	439 599
Capital multi-year expenditure sub-total	7	301 246	194 948	225 222	359 095	388 709	388 709	388 709	246 420	457 160	533 565
Single-year expenditure to be appropriated	2										
Vote 2 - COUNCIL SUPPORT		–	–	–	–	300	300	300	–	–	–
Vote 3 - PLANNING,PERFORMAMNCE & MONITORING		–	–	–	1 500	1 500	1 500	1 500	–	–	–
Vote 6 - FINANCIAL SERVICES		–	–	–	3 000	3 000	3 000	3 000	1 600	–	–
Vote 8 - CORPORATE SERVICES		–	–	–	2 500	2 500	2 500	2 500	100	–	–
Vote 9 - COMMUNITY SERVICES		–	–	4 552	11 500	14 500	14 500	14 500	6 053	170	1 150
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		–	–	–	4 000	2 726	2 726	2 726	4 105	–	–
Vote 11 - TECHNICAL SERVICES		–	–	6 958	194 324	192 217	192 217	192 217	264 239	1 250	19 399
Capital single-year expenditure sub-total		–	–	11 510	216 824	216 743	216 743	216 743	276 097	1 420	20 549
Total Capital Expenditure - Vote		301 246	194 948	236 732	575 919	605 452	605 452	605 452	522 517	458 580	554 115
Capital Expenditure - Standard											
<i>Governance and administration</i>		9 100	15 172	43 001	44 560	34 956	34 956	34 956	28 509	30 942	33 631
Executive and council				5 293	–	–	–	–	8 580	9 049	9 393
Budget and treasury office		2 461	15 172	–	9 950	10 701	10 701	10 701	12 676	13 926	15 418
Corporate services		6 639		37 708	34 610	24 255	24 255	24 255	7 252	7 967	8 821
<i>Community and public safety</i>		26 103	21 831	15 759	38 558	48 725	48 725	48 725	37 017	29 605	20 793
Community and social services		2 663	16 065	7 488	38 558	46 624	46 624	46 624	34 119	26 421	17 268
Sport and recreation		13 181	134	7 311	–	1 289	1 289	1 289	2 898	3 184	3 525
Public safety		10 259	5 632	15	–	–	–	–	–	–	–
Housing		–	–	945	–	812	812	812	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		62 605	76 535	96 613	267 395	248 687	248 687	248 687	254 207	179 756	209 072
Planning and development		784	1 373	1 912	40 390	12 430	12 430	12 430	39 186	35 881	33 517
Road transport		61 821	75 162	94 701	227 005	236 257	236 257	236 257	215 021	143 874	175 555
Environmental protection		–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		201 721	90 783	80 622	225 407	273 084	273 084	273 084	202 784	218 277	290 619
Electricity		58 189	22 536	7 897	41 947	65 368	65 368	65 368	45 514	43 055	35 963
Water		100 226	42 209	36 945	134 446	128 027	128 027	128 027	109 019	135 529	232 820
Waste water management		–	–	27 534	28 564	73 890	73 890	73 890	28 943	23 810	13 098
Waste management		43 306	26 039	8 245	20 450	5 800	5 800	5 800	19 308	15 883	8 738
<i>Other</i>		–	–	737	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	3	299 529	204 321	236 732	575 919	605 452	605 452	605 452	522 517	458 580	554 115
Funded by:											
National Government		128 676	90 336	163 788	332 813	441 456	441 456	441 456	418 672	374 516	441 652
Transfers recognised - capital	4	128 676	90 336	163 788	332 813	441 456	441 456	441 456	418 672	374 516	441 652
Public contributions & donations	5	5 143	2 886	3 904	2 500	4 500	4 500	4 500	3 150	3 300	3 489
Borrowing	6	70 140	33 130	28 497	105 050	88 798	88 798	88 798	40 656	–	–
Internally generated funds		97 287	68 597	40 544	135 556	70 698	70 698	70 698	60 039	80 764	108 973
Total Capital Funding	7	301 246	194 948	236 732	575 919	605 452	605 452	605 452	522 517	458 580	554 115

- (d) the final IDP operating projects budgets for the 2014/2015 – 2016/2017 financial years detailed in **annexure 243/14**, summarised per priority as tabulated below, be ;

Department	Municipal Priority	Sum of 2014/2015	Sum of 2015/2016	Sum of 2016/2017
Chief Operating Officer	Community Development	R 6,040,000		
	Good governance and institutional development	R 900,000	R 635,000	R 870,000
	Waste and environmental management	R 3,760,000	R 4,431,000	R 4,441,550
Chief Operating Officer Total		R 10,700,000	R 5,066,000	R 5,311,550
Community Services	Community Development	R 11,700,000	R 11,995,000	R 14,459,750
	Waste and environmental management	R 3,000,000	R 1,000,000	R 673,449
Community Services Total		R 14,700,000	R 12,995,000	R 15,133,199
Corporate Services	Good governance and institutional development	R 9,400,000	R 8,450,000	R 7,200,000
Corporate Services Total		R 9,400,000	R 8,450,000	R 7,200,000
Finance	Financial Management	R 10,357,809	R 13,598,580	R 11,812,203
	Revenue Enhancement	R 2,700,000	R 2,150,000	R 0
Finance Total		R 13,057,809	R 15,748,580	R 11,812,203
LED, Urban and Rural Dev and Human Sett.	Economic Development	R 7,303,772	R 11,266,772	R 14,543,622
	Good governance and institutional development	R 975,000	R 1,550,000	R 1,550,000
	Integrated human settlement	R 9,230,000	R 12,940,000	R 15,080,000
	Revenue Enhancement	R 640,000	R 900,000	R 690,000
	Rural Development	R 315,000	R 929,080	R 1,266,000
LED, Urban and Rural Dev and Human Sett. Total		R 18,463,772	R 27,585,852	R 33,129,622
Office of the Chief Whip	Good governance and institutional development	R 200,000	R 210,000	R 220,500
Office of the Chief Whip Total		R 200,000	R 210,000	R 220,500
Office of the Speaker and Public Participation	Good governance and institutional development	R 7,688,000	R 6,899,000	R 7,015,910
Office of the Speaker and Public Participation Total		R 7,688,000	R 6,899,000	R 7,015,910
Planning	Good governance and institutional development	R 2,800,000	R 2,940,000	R 3,653,750
	Good governance and public participation	R 9,135,000	R 8,934,500	R 15,906,700
Planning Total		R 11,935,000	R 11,874,500	R 19,560,450
Technical Services	Good governance and institutional development	R 11,918,458	R 12,614,583	R 13,213,083
	Public Transport	R 15,283,270	R 15,453,509	R 0
	Revenue Enhancement	R 701,754	R 2,049,717	R 11,025,387
	Roads and Stormwater Management	R 10,524,034	R 11,233,205	R 11,935,731
	Sanitation/Sewerage	R 1,480,000	R 1,700,000	R 920,000
	Water Supply	R 1,500,000	R 600,000	R 600,000
Technical Services Total		R 41,407,516	R 43,651,014	R 37,694,201
Grand Total		R 127,552,097	R 132,479,946	R 137,077,635

- (e) the final annual budget for the financial year 2014/2015, and indicative allocations for the two projected outer years 2015/2016 and 2016/2017; and the multi- year and single year capital appropriations be considered as set out in the new budget and reporting regulations **annexure 245/14** be approved as follows:

- Budgeted Financial Performance (revenue and expenditure by standard classification)
- Budgeted Financial Performance (revenue and expenditure by municipal vote)
- Budgeted Financial Performance (revenue by source and expenditure by type)
- Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source

- (f) the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets as set out in the new budget and reporting regulations in the following tables as indicated on **annexure 245/14**, be approved;

- Budgeted financial position
- Budgeted cash flows
- Cash backed reserves and accumulated surplus reconciliation
- Asset management
- Basic service delivery measurement

- (g) in terms of sections 24(2)(c)(i) and (ii) of the Local Government : Municipal Finance Management Act, 56 of 2003, sections 74 and 75A of the Local Government: Municipal Systems Act, 32 of 2000, as amended and the Municipal Property Rates Act, 6 of 2004, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out below, that were used to prepare the estimates of revenue by source, be approved for implementation with effect from 1 July 2014;

Description	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Proposed	2015/16 Forecast	2016/17 Forecast
Electricity	20.38%	12.0%	8.0%	8.06%	7.6%	7.6%
Water	8.0%	9.75%	8.0%	8.5%	8.4%	8.2%
Sewer	8.0%	9.75%	8.0%	8.5%	8.4%	8.2%
Refuse Removal	10.0%	10.25%	9.50%	10.0%	9.7%	9.0%
Property Rates	5.0%	6.5%	6.5%	0.0%	6.5%	6.0%
Other tariffs	10.0%	11.0%	12.0%	12.0%	12.0%	12.0%
SembCorp Water and Sewerage – Domestic users	9.74%	10.42%	9.0% - 13.5%	10.33%	CPI + 3%	CPI + 3%
SembCorp Water and Sewerage – Business users	9.74%	10.42%	9.0% - 18.0%	10.33%	CPI +3%	CPI + 3%

- (h) the proposed individual rates and services and sundry charge tariffs and fees contained in council's tariffs booklets **annexure 246/14** be approved;
- (i) the free basic services package as per **annexure 245/14**, table A10, be approved for the medium-term 2014/2015 – 206/2017 financial years;
- (j) council take note of the preliminary capital projects to be rolled- over from 2013/2014 financial year as per **annexure 244/14** and a report on the final capital project roll-overs be tabled to council not later than 25 August 2014, in accordance with section 28(2) of the Municipal Finance Management Act, 56 of 2003 and Regulation 23(5) of the Municipal Budget and Reporting Regulations;
- (k) the acting Municipal Manager present an acceleration implementation plan to the Executive Mayor by not later than 13 June 2014, inclusive of realistic targets and timelines, which plan be used to monitor and evaluate the implementation of the 2014/2015 budget in an effort to prevent the underspending on the budget as during the previous three financial years;
- (l) a workshop for all councilors on austerity measures (cost curtailment strategy) be arranged, after which a report in that regard be submitted to council;
- (m) a report on the Law enforcement Unit be submitted to council at its next meeting.

1.3 EXECUTIVE SUMMARY

The application of sound budget and financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers and also promulgating its credit control and debt collection policy into a by law.

National Treasury's MFMA Circular No. 51, 54, 55, 58, 59, 66, 67, 70 and 72 were used to guide the compilation of the approved 2013/2014 – 2015/2016 annual budget and MTREF. The planning of the budget involved consideration of all factors, which had far reaching implications on the annual budget of the municipality.

The 2014/2015 – 2016/2017 budget and medium-term revenue and expenditure framework was compiled based on the fundamentals of the municipal developmental priorities tabulated on the Integrated Developmental Plan and the following are priorities, guidelines and assumptions which guided the compilation of this draft budget.

1.3.1 National priorities

National priorities- Expanding public sector investment infrastructure

The key priorities in the local government and housing function are the provision of basic services such as water and sanitation, human settlements development and local government infrastructure.

In addition, creating decent employment opportunities remains a national priority and the municipality need to continue to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the Expanded Public Works Programme.

Provincial priorities – Ensuring all households have access to basic water supply and sanitation

Municipal Priorities - The municipal developmental priorities as tabulated in below are in line with the national and provincial priorities in indicated above;

- (a) Water supply;
- (b) Road infrastructure development and storm water;
- (c) Electricity supply and management;
- (d) Integrated human settlement;
- (e) Good governance and public participation;
- (f) Sanitation/sewerage;
- (g) Community development;
- (h) Rural development;
- (i) Economic development;
- (j) Waste and environment management;

- (k) Financial management;
- (l) Public transport;
- (m) Revenue enhancement; and
- (n) 2010 legacy.

1.3.2 Micro environment factors – economic outlook

The slow economic growth trends reflect that a convergence of unfavourable global and domestic circumstances of which impact negatively on all spheres of government. The revenue base of the municipality is under pressure as no new revenues are derived at the moment due to the slow economic growth and local circumstances.

As a consequence of the distress economy a conservative approach will need to be adopted when projections are made for expected revenues cash receipts in the next medium-term.

On the expenditure side - careful analysis and evaluation of the current spending patterns need to be conducted so that the allocation of funds in the next medium-term is in line with the key municipal priorities and non-priority spending is eliminated (austerity measures need to be implemented).

The South African economic growth outlook in 2014 to 2017 is expected to be as follows;

Headline inflation forecast over the medium-term

Description	2012 Actual	2013 Actual	2014 Estimate	2015 Forecast	2016 Forecast
Real GDP	2.5%	1.8%	2.7%	3.2%	3.5%

The consumer price inflation is expected to bridge the 3 to 6 per cent inflation target set by the South African Reserve Bank during 2014 and move back within the target in the outer two years. The forecasted headline inflation for medium-term will be as follows;

Description	2012 Actual	2013 Actual	2014 Estimate	2015 Forecast	2016 Forecast
Inflation Outlook	5.6%	5.7%	6.2%	5.9%	5.5%

1.3.3 Revenue enhancement assumptions

The municipality has recently appointed a service provider to assist in developing an appropriate cost reflective structure on water and sanitation tariffs to phase in the necessary tariff increase in a manner that will spread the impact on consumer over a period of time as prescribed in MFMA Circular 58. The service provider will further ensure that the timelines or deliverables per categories below are met

- (a) Grants allocations

The total grants allocated to the municipality in terms of the 2014 Division of Revenue Bill (DoRB) amounts R2 879 billion over the medium-term, reflecting an increase of R287 million (11%) and the total allocation

for 2014/2015 budget year is R908 million. The total grant in-kind allocation over the medium-term amounts to R332 million.

(b) Revising of rates, tariffs and other charges

When the municipality revise its rates, tariffs and other charges for the 2014/2015 budgets and MTREF, it need to take into account the labour (i.e. the wage agreements with unions) and other input costs of services provided by the municipality, the need to ensure financial sustainability, local economic conditions and the affordability of services, taking into consideration the municipality's indigent policy.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality.

To ensure the municipality continue to efficiently deliver services, eradicate backlogs in term of services and social infrastructure, maintain, upgrade and renewal of the existing infrastructure as well as ensuring financial stability and long-term sustainability, the increase of rates, tariffs and other charges over the medium-term is proposed to be as follows;

Description	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Proposed	2015/16 Forecast	2016/17 Forecast
Electricity	20.38%	12.0%	8.0%	8.06%	7.6%	7.6%
Water	8.0%	9.75%	8.0%	8.5%	8.4%	8.2%
Sewer	8.0%	9.75%	8.0%	8.5%	8.4%	8.2%
Refuse Removal	10.0%	10.25%	9.50%	10.0%	9.7%	9.0%
Property Rates	5.0%	6.5%	6.5%	0.0%	6.5%	6.0%
Other tariffs	10.0%	11.0%	12.0%	12.0%	12.0%	12.0%
SembCorp Water and Sewerage – Domestic users	9.74%	10.42%	9.0% - 13.5%	10.33%	CPI + 3%	CPI + 3%
SembCorp Water and Sewerage – Business users	9.74%	10.42%	9.0% - 18.0%	10.33%	CPI +3%	CPI + 3%

The average increase on tariffs for electricity, water, sewerage, and refuse removal services charge will be 7.01 percent in 2014/2015 and the average increase over the medium-term will be 7.64 percent.

The property rates increase will not increase during 2014/2015 financial year due to an implementation of a new general valuation roll on 01 July 2014.

The municipality will be undertaking an exercise from 01 June 2014 until 31 January 2017 to review and model the cost structures and the service delivery activities that linked to the cost structures in order to ensure all tariffs and fees for rates, service and sundry charges are reflecting the cost of rendering or providing such services. The undertaking of the exercise will be in accordance with the following plan:

Service Category	Completion Date
Water and Sanitation	28 January 2015
Property Rates	28 January 2015
Electricity	30 September 2015
Waste Management	31 January 2016
Other Services	31 January 2017

(c) The ability of municipality to collect revenue (payment levels)

The payment level trends for the past three years and the forecast for the next mid-term, including current financial year estimate is as follows;

Description	Actual 2010/11	Actual 2011/12	Actual 2012/13	Estimate 2013/14	Estimate 2014/15	Forecast 2015/16	Forecast 2016/17
Payment Levels	97%	90%	93%	91%	91%	92%	93%

The implementation of the revised revenue enhancement strategy approved by the municipal council on 28 February 2013 will improve collection revenue as projected above. The above payment levels for the three financial years are projected based on the actual performance of the past financial years and the revenue enhancement mechanisms that contained on the revenue enhancement strategy.

1.3.4 Operating expenditure guidelines and assumptions

Operating expenditure budget will increase by an average of 7.9 per cent in 2014/15 and by an average of 7.1 per cent over the medium term. The increases on key expenditure drivers will be as follows in 2014/2015;

- The employees remuneration cost will increase by 6.79 per cent to a total cost of R485 million
- The electricity bulk purchase will increase by 8.06 per cent as per the approval granted to Eskom by the National Energy Regulator of South Africa to a total cost of R446 million.
- The allocation for repairs and maintenance of municipal assets will amount to R119 million.

1.3.5 Cash backing provided in capital replacement reserve

The municipality should continuously assess its financial sustainability by ensuring funding of capital expenditure from internally generated funds is used only if the municipality has cash backed reserves and the municipality should explore other means of funding such as long-term borrowings as the municipality has been conservative in terms of leverage the capital expenditure funding with the long-term borrowings. The municipality's capital replacement reserve must reflect the accumulated provision of internally generated funds designated to replace aging assets – it must therefore be fully cash-backed.

1.3.6 Capital budget over the medium - term

The funding of the capital expenditure will be sourced from conditional grants allocations, external loans (borrowings) and internal reserves. The internal generated funds and borrowings will amount to R63 million and R41 million respectively in 2014/2015 and increasing to R112 million over the medium-term. No new external loans (borrowings) undertaken during the medium-term. The R41 million funding from borrowing will be coming from the long-term borrowing of R160 taken in October 2013.

1.3.6 Provision of free basic services provision to the indigent households

The Indigent Policy of the municipality as approved by Council in 2003 is in line with the National Policy on provision of Free Basic Services with its objective of providing free access to basic services to the poor and enhancing the fight against poverty. This policy is being reviewed to be in line with the requirements proposed by the National Department of Cooperative Governance and Traditional Affairs on an annual basis

The following assumptions were also taken into consideration towards the provision of free basic services;

- (a) Reducing the impact of poverty through free basic service provision;
- (b) Protecting the poor from the harsh economic realities;

The municipality will be offering the following free basic services:

Free Basic Water	6kl per month
Free Basic Electricity	50kW per month
Free Basic refuse removal	100 % subsidy on tariff
Rebate on property rates	Rebates ranging from 25% to 100% and first R80 000.00 market value being 100% exempted from rates.
Free Basic Sewer	6kl per month

The municipality will continue to provide free basic services on water, electricity and sewerage and grant subsidies at a cost of R138 million in 2014/2015 and 6 221 households will be provided with free basic electricity and 121 000 households will be provided with free basic water.

The rebates on property rates charge will amount to R127 million in 2014/2015 and properties with market value of less than R80 000 will be fully exempted from property rates charge.

1.3 OPERATING REVENUE FRAMEWORK

For Mbombela Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- (a) National Treasury's guidelines and macroeconomic policy;
- (b) Growth in the City and continued economic development;
- (c) Efficient revenue management, which aims to ensure a 91 per cent annual collection rate for property rates and other key service charges such as electricity, water, sewerage and refuse removal services;
- (d) Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- (e) Achievement of full cost recovery of specific user charges especially in relation to trading services;
- (f) Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;

- (g) The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- (h) Increase ability to extend new services and recover costs;
- (i) The municipality's Indigent Policy and rendering of free basic services; and
- (j) Tariff policies of the municipality.

The following table is a summary of the 2013/14 annual budget and MTREF – Revenue classified by main source:

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source										
Property rates	197,865	245,816	274,317	313,814	304,919	304,919	304,919	324,308	349,919	381,164
Service charges - electricity revenue	400,935	493,156	543,808	645,869	625,001	625,001	625,001	681,348	740,564	807,047
Service charges - water revenue	25,647	25,453	25,335	31,792	29,984	29,984	29,984	30,074	32,865	36,017
Service charges - sanitation revenue	12,644	14,827	15,134	17,494	17,982	17,982	17,982	19,653	21,446	23,581
Service charges - refuse revenue	45,782	52,745	59,029	66,203	65,798	65,798	65,798	69,158	76,352	84,904
Rental of facilities and equipment	26,496	16,431	18,218	22,523	18,532	18,532	18,532	18,849	21,111	23,645
Interest earned - external investments	7,729			5,780	3,956	3,956	3,956	6,226	6,973	7,810
Interest earned - outstanding debtors	18,625	22,059	25,058	24,525	20,458	20,458	20,458	27,716	31,042	34,767
Fines	3,079	2,982	3,748	3,582	3,199	3,199	3,199	4,012	4,493	5,032
Licences and permits	6	7	21	44	4	4	4	50	56	62
Agency services	20,663	22,676	24,835	106,653	112,731	112,731	112,731	119,452	133,786	149,840
Transfers recognised - operational	320,683	375,143	382,171	346,325	417,460	417,460	417,460	397,237	462,775	505,656
Other revenue	42,223	61,908	137,889	23,347	23,179	23,179	23,179	26,149	29,287	32,801
Gains on disposal of PPE	5,126		315	3,500	6,551	6,551	6,551	3,920	4,390	4,917
Total Revenue (excluding capital transfers and contributions)	1,127,503	1,333,202	1,509,879	1,611,452	1,649,752	1,649,752	1,649,752	1,728,151	1,915,059	2,097,245

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The municipality will receive significant portion of its revenue from service charge (electricity, water, sewerage and refuse removal services) amounting to R800 million indicating an increase of R61 million (8.3%) in 2014/2015 financial year and increases to R952 million over the medium-term. The revenue from service charge makes up 47% of the operating revenue budget.

The revenue from property rates will amount to R324 million after taking into account rates rebates in terms of the rates policy amounting to R127 million in 2014/2015 financial year and increases to R381 million over the medium-term. The property rates revenue contributes about 19% of the total operating revenue budget.

Operating grants allocation comprising of equitable share and other small grants contributes 23% to the total operating revenue budget and will amount to R397 million in 2014/2015 financial year.

The following table gives a breakdown of the various operating and capital grants and subsidies allocations to the municipality over the medium term:

MP322 Mbombela - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		277 471	306 481	352 061	346 325	372 089	397 853	397 237	462 775	505 656
Local Government Equitable Share		247 675	279 162	312 298	342 190	372 082	401 974	388 663	460 158	502 938
Municipal Systems Improvement		791	1 119	1 500	1 550	1 600	1 650	1 600	1 650	1 700
Finance Management		1 188	1 516	800	890	980	1 070	934	967	1 018
Water Services Operating Subsidy		15 207	14 650	3 009	-	(3 009)	(6 018)	-	-	-
Integrated National Electrification Programme		11 408	3 061		-		-	-	-	-
EPWP Incentive		1 202	4 515	2 954	1 695	436	(823)	6 040	-	-
Other trans/grants [2010 Host City, MIG,PTIS, DRG]			2 458	31 500	-	-	-	-	-	-
Provincial Government:		-	-	1 000	-	-	-	-	-	-
Housing				1 000						
Total Operating Transfers and Grants	5	277 471	306 481	353 061	346 325	372 089	397 853	397 237	462 775	505 656
<u>Capital Transfers and Grants</u>										
National Government:		264 547	200 031	298 265	394 766	(3 440)	391 326	511 234	463 703	538 402
Municipal Infrastructure Grant (MIG)		127 087	155 031	188 062	241 164	-	241 164	286 043	302 750	317 114
Public Transport and Systems		105 000	45 000	98 703	123 762		123 762	195 191	120 217	170 000
Regional Bulk Infrastructure		20 960	-	6 500	16 840	-	16 840	15 000	10 000	15 000
Neighbourhood Development Partnership		3 500	-	-	-	1 560	1 560	5 000	10 736	11 288
Other capital transfers/grants [EDSM, INEP,DRG,EPWP]		8 000	-	5 000	13 000	(5 000)	8 000	10 000	20 000	25 000
Provincial Government:		6 372	-	-	-	-	-	-	-	-
Other capital transfers/grants [MP housing,Library]		6 372								
Other grant providers:		9 020	18	16	-	-	-	-	-	-
[National Lottery]		9 020	18	16						
Total Capital Transfers and Grants	5	279 939	200 049	298 281	394 766	(3 440)	391 326	511 234	463 703	538 402
TOTAL RECEIPTS OF TRANSFERS & GRANTS		557 410	506 530	651 342	741 091	368 649	789 179	908 471	926 478	1 044 058

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, wage agreements with unions (Labour), input costs of services provided by the municipality, local economic conditions and the affordability of services taking into consideration the municipality's indigent policy were taken into consideration.

The percentage increases of both Eskom and SembCorp (Silulumanzi) Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services

utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15 % incr.	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		395.44	407.05	268.77	286.29	286.29	286.29	–	286.29	304.90	323.19
Electricity : Basic lev y		80.00	–	–	–	–	–	–	–	–	–
Electricity : Consumption		860.50	930.00	1 043.50	1 114.87	1 114.87	1 114.87	9.3%	1 218.85	1 311.48	1 411.16
Water: Basic lev y		47.66	51.50	56.55	61.07	61.07	61.07	8.5%	66.26	71.83	77.72
Water: Consumption		221.28	240.00	263.52	284.64	284.64	284.64	8.5%	308.83	334.78	362.23
Sanitation		254.40	219.60	241.20	260.40	260.40	260.40	8.5%	282.53	306.27	331.38
Refuse removal		97.14	107.00	117.97	128.19	128.19	128.19	10.0%	141.01	155.11	167.83
Other		–	–	–	–	–	–	–	–	–	–
sub-total		1 956.42	1 955.15	1 991.51	2 135.46	2 135.46	2 135.46	7.9%	2 303.78	2 484.36	2 673.50
VAT on Services		–	–	–	–	–	–	–	–	–	–
Total large household bill:		1 956.42	1 955.15	1 991.51	2 135.46	2 135.46	2 135.46	7.9%	2 303.78	2 484.36	2 673.50
% increase/-decrease			(0.1%)	1.9%	7.2%	–	–		7.9%	7.8%	7.6%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		39.49	290.75	182.07	193.94	193.94	193.94	–	193.94	206.55	218.94
Electricity : Basic lev y		105.96	–	–	–	–	–	–	–	–	–
Electricity : Consumption		364.61	385.00	444.50	473.86	473.86	473.86	11.0%	526.17	566.16	609.19
Water: Basic lev y		47.66	51.50	56.55	61.07	61.07	61.07	8.5%	66.26	71.83	77.72
Water: Consumption		175.29	190.00	208.62	225.34	225.34	225.34	8.5%	244.49	265.03	286.76
Sanitation		235.40	173.85	190.95	206.15	206.15	206.15	8.5%	223.67	242.46	262.34
Refuse removal		98.04	107.00	78.39	85.84	85.84	85.84	10.0%	94.42	103.86	103.87
Other		–	–	–	–	–	–	–	–	–	–
sub-total		1 066.45	1 198.10	1 161.08	1 246.20	1 246.20	1 246.20	8.2%	1 348.96	1 455.88	1 558.82
VAT on Services		–	–	–	–	–	–	–	–	–	–
Total small household bill:		1 066.45	1 198.10	1 161.08	1 246.20	1 246.20	1 246.20	8.2%	1 348.96	1 455.88	1 558.82
% increase/-decrease			12.3%	(3.1%)	7.3%	–	–		8.2%	7.9%	7.1%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		19.40	174.45	95.37	101.59	101.59	101.59	–	101.59	108.19	114.68
Electricity : Basic lev y		–	–	–	–	–	–	–	–	–	–
Electricity : Consumption		36.62	31.50	–	–	–	–	–	–	–	–
Water: Basic lev y		–	–	–	–	–	–	–	–	–	–
Water: Consumption		–	140.00	–	–	–	–	–	–	–	–
Sanitation		97.14	128.10	–	–	–	–	–	–	–	–
Refuse removal		–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
sub-total		153.16	474.05	95.37	101.59	101.59	101.59	–	101.59	108.19	114.68
VAT on Services		–	–	–	–	–	–	–	–	–	–
Total small household bill:		153.16	474.05	95.37	101.59	101.59	101.59	–	101.59	108.19	114.68
% increase/-decrease			209.5%	(79.9%)	6.5%	–	–		–	6.5%	6.0%

1.5 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2014/15 budget and MTREF is informed by the following:

Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserved to fund any deficit;

- (a) Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- (b) The capital programme is aligned to the IDP priorities;
- (c) Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- (d) Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2014/2015 budget and MTREF (classified per main type of operating expenditure):

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure By Type										
Employee related costs	368,952	389,231	418,295	450,543	449,022	449,022	449,022	483,443	523,403	566,145
Remuneration of councillors	16,952	19,302	20,925	22,082	26,282	26,282	26,282	27,724	29,360	30,974
Debt impairment	8,993	49,013	70,537	75,262	93,932	93,932	93,932	101,209	97,692	106,617
Depreciation & asset impairment	283,437	291,288	241,288	282,004	228,668	228,668	228,668	234,411	246,132	258,438
Finance charges	35,869	42,703	48,399	41,602	42,014	42,014	42,014	51,682	51,968	49,889
Bulk purchases	300,328	369,832	419,534	402,743	409,223	409,223	409,223	446,195	482,159	521,021
Other materials				37,738	45,291	45,291	45,291	43,035	46,624	50,326
Contracted services	173,854	168,686	179,244	290,835	281,904	281,904	281,904	218,204	232,930	234,524
Transfers and grants	271	271	282	25,601	21,162	21,162	21,162	138,363	148,855	159,548
Other expenditure	273,032	340,231	370,477	221,209	179,975	179,975	179,975	174,187	183,139	204,575
Loss on disposal of PPE		2,497								
Total Expenditure	1,461,688	1,673,055	1,768,981	1,849,620	1,777,472	1,777,472	1,777,472	1,918,454	2,042,260	2,182,058

- (a) The employees' remuneration cost will be R483 million in 2014/2015 financial year due to an increase of R34 million (7.6 per cent) and the expenditure to the total operating revenue budget, excluding conditional grants is 25 per cent. The employees remuneration cost will increase to R566 million in 2016/2017 financial year and the expenditure to the total operating budget will be 26 per cent.
- (b) The bulk purchase expenditure is mainly expenditure for bulk electricity purchase from Eskom and will increase to R446 million due to an average increase of 8.06 per cent granted to Eskom by the National Energy Regulator of South Africa, the increase will come into effect from 01 July 2014. The bulk purchase expenditure make up 23 per cent of the total operating expenditure budget.
- (c) The depreciation cost will be R234 million make up 12 per cent of the total operating expenditure and is about 4 per cent of the total assets carrying value of R5 787 billion. The depreciation costs

represent the rate at which the assets of the municipality are utilized in rendering services and therefore the cost should be provided for/included on the budget to ensure the current ratepayers and users of the municipal services are able to contribute towards the refurbishment, upgrade and renewal of the assets.

- (d) The contracted and other expenditure increases by 15 per cent to R392 million in 2014/2015 and make up 20 per cent of the total operating expenditure budget. The decrease on the contracted and other expenditure is mainly attributed to the reallocation of certain expenditure items to transfers and grants expenditure category which as a results of this reclassification, it increases by 675 per cent to R138 million.

An allocation of R128 million of the contracted services and other expenditure budget is for operating programmes and projects that are aligned to the IDP - municipal development priorities and the budget allocation per municipal priority is as per the table below.

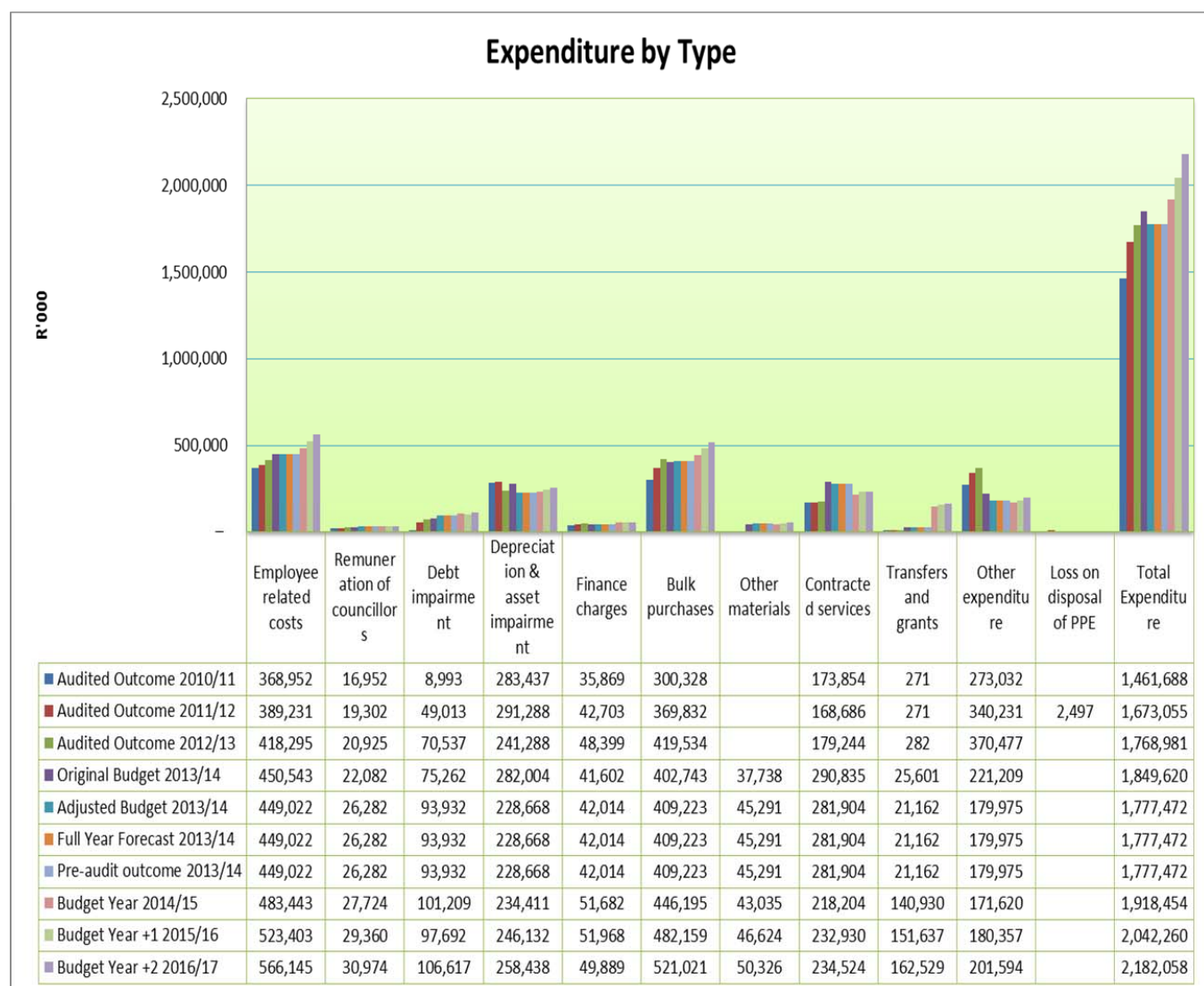
Department	Municipal Priority	Sum of 2014/2015	Sum of 2015/2016	Sum of 2016/2017
Chief Operating Officer	Community Development	R 6,040,000		
	Good governance and institutional development	R 900,000	R 635,000	R 870,000
	Waste and environmental management	R 3,760,000	R 4,431,000	R 4,441,550
Chief Operating Officer Total		R 10,700,000	R 5,066,000	R 5,311,550
Community Services	Community Development	R 11,700,000	R 11,995,000	R 14,459,750
	Waste and environmental management	R 3,000,000	R 1,000,000	R 673,449
Community Services Total		R 14,700,000	R 12,995,000	R 15,133,199
Corporate Services	Good governance and institutional development	R 9,400,000	R 8,450,000	R 7,200,000
Corporate Services Total		R 9,400,000	R 8,450,000	R 7,200,000
Finance	Financial Management	R 10,357,809	R 13,598,580	R 11,812,203
	Revenue Enhancement	R 2,700,000	R 2,150,000	R 0
Finance Total		R 13,057,809	R 15,748,580	R 11,812,203
LED, Urban and Rural Dev and Human Sett.	Economic Development	R 7,303,772	R 11,266,772	R 14,543,622
	Good governance and institutional development	R 975,000	R 1,550,000	R 1,550,000
	Integrated human settlement	R 9,230,000	R 12,940,000	R 15,080,000
	Revenue Enhancement	R 640,000	R 900,000	R 690,000
	Rural Development	R 315,000	R 929,080	R 1,266,000
LED, Urban and Rural Dev and Human Sett. Total		R 18,463,772	R 27,585,852	R 33,129,622
Office of the Chief Whip	Good governance and institutional development	R 200,000	R 210,000	R 220,500
Office of the Chief Whip Total		R 200,000	R 210,000	R 220,500
Office of the Speaker and Public Participation	Good governance and institutional development	R 7,688,000	R 6,899,000	R 7,015,910
Office of the Speaker and Public Participation Total		R 7,688,000	R 6,899,000	R 7,015,910
Planning	Good governance and institutional development	R 2,800,000	R 2,940,000	R 3,653,750
	Good governance and public participation	R 9,135,000	R 8,934,500	R 15,906,700
Planning Total		R 11,935,000	R 11,874,500	R 19,560,450
Technical Services	Good governance and institutional development	R 11,918,458	R 12,614,583	R 13,213,083
	Public Transport	R 15,283,270	R 15,453,509	R 0
	Revenue Enhancement	R 701,754	R 2,049,717	R 11,025,387
	Roads and Stormwater Management	R 10,524,034	R 11,233,205	R 11,935,731
	Sanitation/Sewerage	R 1,480,000	R 1,700,000	R 920,000
	Water Supply	R 1,500,000	R 600,000	R 600,000
Technical Services Total		R 41,407,516	R 43,651,014	R 37,694,201
Grand Total		R 127,552,097	R 132,479,946	R 137,077,635

Due to inadequate payment of municipal accounts, provision has been made for impairment of debts amounting to R101 million in 2014/2015 financial year. The provision for debt impairment represents about 9% of the total revenue to be generated from property rates and services charge such as electricity, water, refuse removal and sewerage.

The municipality has allocated an amount of R138 million in the 2014/2015 financial year for provision of free basic services. The free basic services as per table will be provided in accordance with the criteria set on the indigent policy of the municipality according to the table below;

MP322 Mbombela - Table A10 Consolidated basic service delivery measurement										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling		126 051	126 051	131 344	146 545	146 545	146 545	153 872	161 566	169 644
<i>Minimum Service Level and Above sub-total</i>		126 051	126 051	131 344	146 545	146 545	146 545	153 872	161 566	169 644
Total number of households	5	126 051	126 051	131 344	146 545	146 545	146 545	153 872	161 566	169 644
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		97 473	97 473	102 031	104 795	104 795	104 795	110 035	115 536	121 313
Pit toilet (ventilated)		3 140	3 140	4 370	5 195	5 195	5 195	5 455	5 727	6 014
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		100 613	100 613	106 401	109 990	109 990	109 990	115 490	121 264	127 327
Total number of households	5	100 613	100 613	106 401	109 990	109 990	109 990	115 490	121 264	127 327
<u>Energy:</u>										
Electricity (at least min.service level)		147 259	147 259	148 061	150 778	150 778	150 778	158 317	166 233	174 544
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		147 259	147 259	148 061	150 778	150 778	150 778	158 317	166 233	174 544
Total number of households	5	147 259	147 259	148 061	150 778	150 778	150 778	158 317	166 233	174 544
<u>Refuse:</u>										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		9 744	9 744	15 281	16 045	16 045	16 045	16 847	17 184	17 528
Using communal refuse dump		2 121	2 121	7 416	7 787	7 787	7 787	8 176	8 340	8 506
Using own refuse dump		5 234	5 234	6 804	7 144	7 144	7 144	7 501	7 651	7 804
No rubbish disposal		4 500	4 500	7 938	8 335	8 335	8 335	8 752	8 927	9 105
<i>Below Minimum Service Level sub-total</i>		21 599	21 599	37 439	39 311	39 311	39 311	41 276	42 102	42 944
Total number of households	5	21 599	21 599	37 439	39 311	39 311	39 311	41 276	42 102	42 944
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		5 625	5 625	10 215	161 773	161 773	161 773	161 773	169 862	169 862
Sanitation (free minimum level service)		5 625	5 625	10 215	161 773	161 773	161 773	161 773	169 862	169 862
Electricity/other energy (50kwh per household per month)		5 625	5 625	10 215	13 703	13 703	13 703	13 446	13 446	13 446
Refuse (removed at least once a week)		1 219	1 219	2 207	13 703	13 703	13 703	13 446	13 446	13 446
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		21 778	21 778	39 323	111 354	111 354	111 354	72 790	78 310	83 935
Electricity/other energy (50kwh per household per month)		4 500	4 500	9 271	7 528	7 528	7 528	34 819	37 459	40 150
Refuse (removed once a week)		1 535	1 535	2 170	2 278	2 278	2 278	30 754	33 086	35 463
Total cost of FBS provided (minimum social package)		27 813	27 813	50 764	121 160	121 160	121 160	138 363	148 855	159 548
Highest level of free service provided										
Property rates (R value threshold)		80 000	80 000	80 000	80 000	80 000	80 000	80 000	80 000	80 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		3 019	3 019	4 981	5 304	5 304	5 304	5 304	5 570	5 570
Property rates (other exemptions, reductions and rebates)		77 651	77 651	108 690	128 128	128 128	128 128	121 433	129 405	137 504
Water		32 198	32 198	39 323	138 141	138 141	138 141	149 883	162 473	175 796
Sanitation		581	581		138 141	138 141	138 141	149 883	162 473	175 796
Electricity/other energy		5 355	5 355		5 244	5 244	5 244	6 221	6 693	6 163
Refuse		1 627	1 627							
Total revenue cost of free services provided (total social package)		120 431	120 431	152 994	414 959	414 959	414 959	432 724	466 615	500 829

The following graph gives a breakdown of the main expenditure categories for the 2014/15 financial year as a percentage:



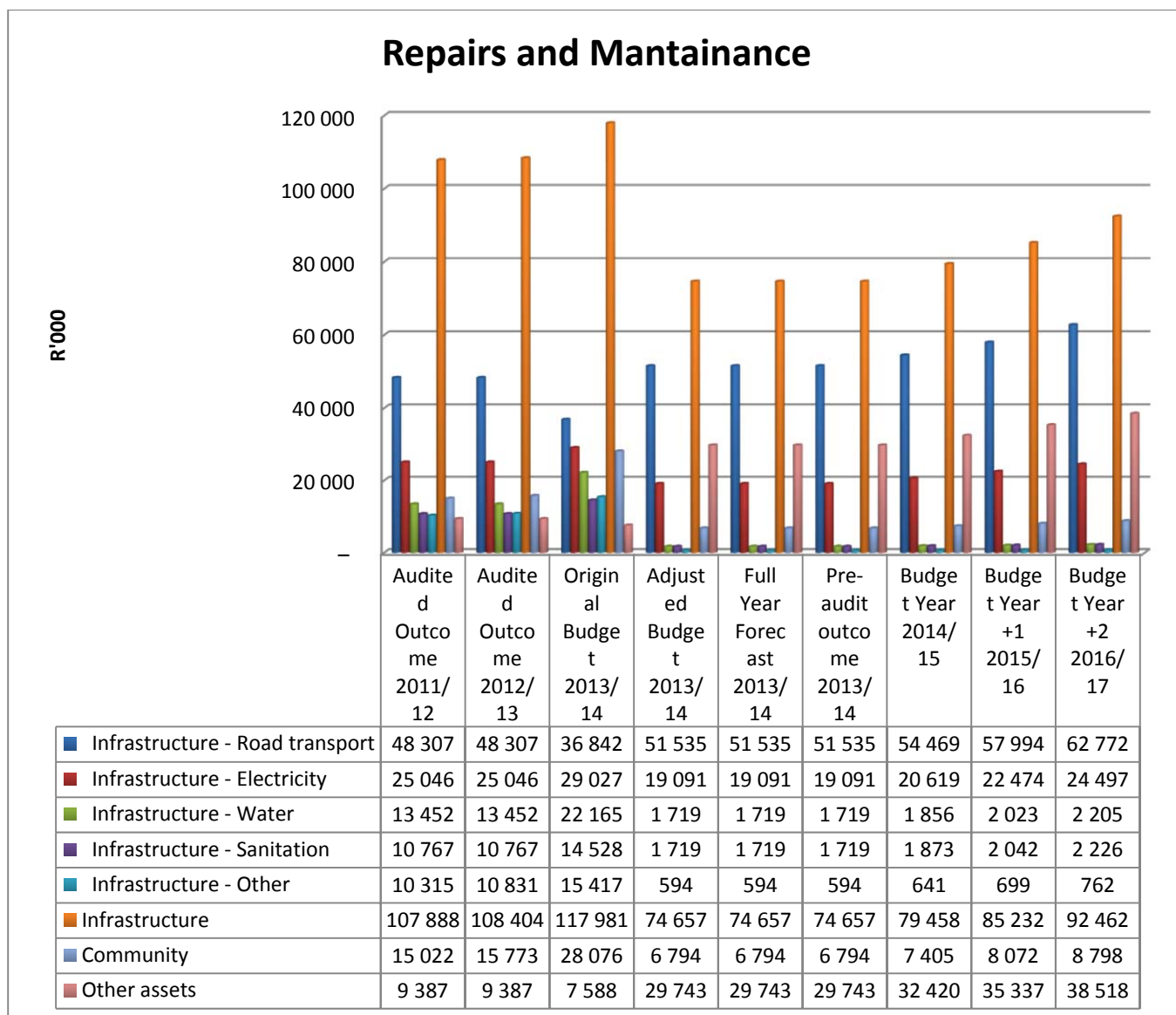
During the compilation of the 2014/15 MTREF, operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the Municipality's infrastructure and historic deferred maintenance. To this end, the municipality is still having a challenge in separating the portion of employee related cost for repairs and maintenance; as a result this allocation is part of the overall employee related cost for council.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<u>Depreciation & asset impairment</u>	283,437	291,288	241,288	282,004	228,668	228,668	234,411	246,132	258,438
<u>Repairs and Maintenance by Asset Class</u>	132,297	133,564	153,645	111,194	111,194	111,194	119,283	128,641	139,777
<i>Infrastructure - Road transport</i>	48,307	48,307	36,842	51,535	51,535	51,535	54,469	57,994	62,772
<i>Infrastructure - Electricity</i>	25,046	25,046	29,027	19,091	19,091	19,091	20,619	22,474	24,497
<i>Infrastructure - Water</i>	13,452	13,452	22,165	1,719	1,719	1,719	1,856	2,023	2,205
<i>Infrastructure - Sanitation</i>	10,767	10,767	14,528	1,719	1,719	1,719	1,873	2,042	2,226
<i>Infrastructure - Other</i>	10,315	10,831	15,417	594	594	594	641	699	762
Infrastructure	107,888	108,404	117,981	74,657	74,657	74,657	79,458	85,232	92,462
Community	15,022	15,773	28,076	6,794	6,794	6,794	7,405	8,072	8,798
Other assets	9,387	9,387	7,588	29,743	29,743	29,743	32,420	35,337	38,518
TOTAL EXPENDITURE OTHER ITEMS	415,735	424,852	394,933	393,198	339,861	339,861	353,694	374,773	398,216

For the 2014/15 financial year, 22% or (R79 million) of total repairs and maintenance by asset class will be spent on infrastructure assets. Roads infrastructure has received a significant proportion of this allocation totaling 15 % (R54 million), followed by other assets totaling 9% (R32 million), Electricity at 5.8 % (R21 million), Community at 2% (R7 million).

Below is the graphic illustration on repairs and maintenance by asset class;



Free basic services: basic social services package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 13 446 or more indigent households during the 2014/15 financial year, a process reviewed annually. Details relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement are contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

Table A10 below reflects the cost of the social package and the revenue foregone due to the implementation of the indigent policy:

MP322 Mbombela - Table A10 Consolidated basic service delivery measurement										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling		126 051	126 051	131 344	146 545	146 545	146 545	153 872	161 566	169 644
Minimum Service Level and Above sub-total		126 051	126 051	131 344	146 545	146 545	146 545	153 872	161 566	169 644
Total number of households	5	126 051	126 051	131 344	146 545	146 545	146 545	153 872	161 566	169 644
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		97 473	97 473	102 031	104 795	104 795	104 795	110 035	115 536	121 313
Pit toilet (ventilated)		3 140	3 140	4 370	5 195	5 195	5 195	5 455	5 727	6 014
Other toilet provisions (> min.service level)										
Minimum Service Level and Above sub-total		100 613	100 613	106 401	109 990	109 990	109 990	115 490	121 264	127 327
Total number of households	5	100 613	100 613	106 401	109 990	109 990	109 990	115 490	121 264	127 327
<u>Energy:</u>										
Electricity (at least min.service level)		147 259	147 259	148 061	150 778	150 778	150 778	158 317	166 233	174 544
Electricity - prepaid (min.service level)										
Minimum Service Level and Above sub-total		147 259	147 259	148 061	150 778	150 778	150 778	158 317	166 233	174 544
Total number of households	5	147 259	147 259	148 061	150 778	150 778	150 778	158 317	166 233	174 544
<u>Refuse:</u>										
Removed at least once a week										
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		9 744	9 744	15 281	16 045	16 045	16 045	16 847	17 184	17 528
Using communal refuse dump		2 121	2 121	7 416	7 787	7 787	7 787	8 176	8 340	8 506
Using own refuse dump		5 234	5 234	6 804	7 144	7 144	7 144	7 501	7 651	7 804
No rubbish disposal		4 500	4 500	7 938	8 335	8 335	8 335	8 752	8 927	9 105
Below Minimum Service Level sub-total		21 599	21 599	37 439	39 311	39 311	39 311	41 276	42 102	42 944
Total number of households	5	21 599	21 599	37 439	39 311	39 311	39 311	41 276	42 102	42 944
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		5 625	5 625	10 215	161 773	161 773	161 773	161 773	169 862	169 862
Sanitation (free minimum level service)		5 625	5 625	10 215	161 773	161 773	161 773	161 773	169 862	169 862
Electricity/other energy (50kwh per household per month)		5 625	5 625	10 215	13 703	13 703	13 703	13 446	13 446	13 446
Refuse (removed at least once a week)		1 219	1 219	2 207	13 703	13 703	13 703	13 446	13 446	13 446
Cost of Free Basic Services provided (R'000)	8	-	-	-	-	-	-	-	-	-
Water (6 kilolitres per household per month)		21 778	21 778	39 323	111 354	111 354	111 354	72 790	78 310	83 935
Electricity/other energy (50kwh per household per month)		4 500	4 500	9 271	7 528	7 528	7 528	34 819	37 459	40 150
Refuse (removed once a week)		1 535	1 535	2 170	2 278	2 278	2 278	30 754	33 086	35 463
Total cost of FBS provided (minimum social package)		27 813	27 813	50 764	121 160	121 160	121 160	138 363	148 855	159 548
Highest level of free service provided										
Property rates (R value threshold)		80 000	80 000	80 000	80 000	80 000	80 000	80 000	80 000	80 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		3 019	3 019	4 981	5 304	5 304	5 304	5 304	5 570	5 570
Property rates (other exemptions, reductions and rebates)		77 651	77 651	108 690	128 128	128 128	128 128	121 433	129 405	137 504
Water		32 198	32 198	39 323	138 141	138 141	138 141	149 883	162 473	175 796
Sanitation		581	581		138 141	138 141	138 141	149 883	162 473	175 796
Electricity/other energy		5 355	5 355		5 244	5 244	5 244	6 221	6 693	6 163
Refuse		1 627	1 627							
Total revenue cost of free services provided (total social package)		120 431	120 431	152 994	414 959	414 959	414 959	432 724	466 615	500 829

1.6 CAPITAL EXPENDITURE

The table below depicts a summary of the allocations per municipal priority on the capital expenditure budget.

Description	2013/2014 - Roll-over	2014/2015 BUDGET	2015/2016 BUDGET	2016/2017 BUDGET	Total Budget	% Budget
Water Supply	R 74,423,376	R 161,423,529	R 148,056,328	R 207,347,271	R 516,827,128	34%
Public Transport	R 47,498,217	R 155,936,905	R 90,000,000	R 135,909,724	R 381,846,629	25%
Roads and Stormwater Management	R 48,552,041	R 55,671,266	R 43,288,847	R 43,942,305	R 142,902,418	9%
Community Development	R 19,458,776	R 38,572,133	R 44,496,491	R 32,100,000	R 115,168,624	8%
Sanitation/Sewerage	R 45,872,130	R 42,224,679	R 28,900,000	R 20,869,378	R 91,994,057	6%
Electricity Supply & Management	R 14,075,425	R 17,749,240	R 41,928,070	R 26,929,825	R 86,607,135	6%
Good governance and institutional development	R 810,000	R 14,470,000	R 13,925,000	R 17,757,500	R 46,152,500	3%
Revenue Enhancement	R 1,300,000	R 3,664,912	R 10,131,579	R 13,000,000	R 26,796,491	2%
Financial Management	R 3,200,000	R 5,700,000	R 8,992,500	R 11,865,625	R 26,558,125	2%
Waste and environmental management	R -	R 9,500,000	R 6,200,000	R 8,500,000	R 24,200,000	2%
Roads and Storm- water Management	R 450,000	R 5,950,000	R 6,802,500	R 11,000,000	R 23,752,500	2%
Economic Development	R 4,341,428	R 3,937,193	R 8,108,772	R 9,892,982	R 21,938,947	1%
2010 legacy	R -	R 1,212,000	R 3,750,000	R 6,500,000	R 11,462,000	1%
Integrated human settlement	R 7,894,529	R 4,805,471	R 1,800,000	R 4,000,000	R 10,605,471	1%
Revenue Enhancement	R 400,000	R 1,100,000	R 1,500,000	R 4,500,000	R 7,100,000	0%
Rural Development	R 440,000	R 400,000	R 700,000	R -	R 1,100,000	0%
Urban Planning	R -	R 200,000	R -	R -	R 200,000	0%
Grand Total	R 268,715,922	R 522,517,328	R 458,580,088	R 554,114,610	R 1,535,212,026	100%

The municipality will be spending in the next three years R954 million (62 percent) of the total capital expenditure budget) on services infrastructure development to address backlogs with regards to water provision, roads and storm water management, sanitation, community facilities and electricity supply and management.

- Bulk water and reticulation infrastructure allocation will be R276 million over the medium-term and allocation for 2014/2015 is R69 million. The construction work on the bulk water schemes namely; Karino and Nyongane water schemes will be continued to ensure that our people are provided with drinkable water in the near future.
- Roads and storm water management infrastructure allocation will be R181 million over the medium-term and allocation for 2014/2015 is R79 million, a 24 kilometers bus route will be upgraded from gravel to tar roads.
- Electricity supply and management infrastructure allocation will be R82 million over the medium-term and allocation for 2014/2015 is R18 million. The number of households to be electrified in 2014/2015 will be 700 and 4 substations will be upgraded at a cost of R17 million over the medium term.
- Sanitation and sewerage infrastructure allocation will be R140 million over the medium-term and allocation for 2014/2015 is R55 million. 402 households will be provided with decent toilets and 832 households will be provided with water borne sewerage system at a cost of R48 million in 2014/2015.

- The allocation for construction of new community halls and recreation facilities will amount to R76 million over the medium – term. The allocation for 2014/2015 will amount to R40 million. 3 new community halls will be constructed at a cost of R18 million.

Highlights on some of the projects the municipality will undertake per service

(a) Repairs and maintenance of roads infrastructure.



(b) Water works project





Furthermore a detailed breakdown of the capital budget per project over the medium-term – Referred as Annexure 244/14 on the council resolutions.

2014/2015 FINAL CAPITAL BUDGET									
Department	Funding Source	Municipal Priority	Project Description	Wards	Location	2013/2014 - Roll-over	2014/2015	2015/2016	2016/2017
Technical Services	MI Grant	Water Supply	Commissioning Of Hoxani Water Treatment Works Mbombela Modules And Construction Of Bulk Water Supply Line & Storage	Nsikazi North Wards	Nsikazi North	R 0.00	R 10 000 000	R 25 000 000	R 30 000 000
Technical Services	MI Grant	Water Supply	Upgrading of Elandshoek Water Supply	12	Elandshoek	R 0.00	R 11 123 487	R -	
Technical Services	MI Grant	Roads and Stormwater Management	Clau-Clau Roads And Stormwater Drainage	11	Clau Clau	R 0.00	R 7 000 000	R -	
Technical Services	MI Grant	Community Development	Construction Of Multi-Purpose Courts	2,5	Zwelisha, Salubindza	R 0.00	R 1 000 000	R 7 596 491	R -
Technical Services	MI Grant	Roads and Stormwater Management	Construction Of Paved Roads - Mkhoni	23	Daantjie	R 0.00	R 8 000 000		
Technical Services	MI Grant	Roads and Stormwater Management	Construction Of Paved Roads - Sibuyile	24	Daantjie	R 0.00	R 7 600 000		
Technical Services	MI Grant	Roads and Stormwater Management	Construction Of Paved Roads - Somcuba	29	Msogwaba	R 0.00	R 8 000 000		
Technical Services	Borrowings	Water Supply	Karino Plaston Bulkwater Scheme	Nsikazi South Wards	Nsikazi South	R 0.00	R 27 319 322	R -	R -
Technical Services	MI Grant	Community development	Matsulu Fire Station		Matsulu	R 0.00	R 5 200 000	R -	R -
Technical Services	MI Grant	Sanitation/Sewerage	Matsulu, Portia, Mpakeni And Lupisi Household Sanitation	13,24,28	Matsulu,Portia,Mpakeni,Lupisi	R 0.00	R 10 000 000	R 12 000 000	R 12 000 000
Technical Services	MI Grant	Sanitation/Sewerage	Nsikazi North Household Sanitation (Zone A)	3,5,6,8,25,34	Nsikazi North	R 0.00	R 14 000 000	R 12 000 000	R 12 000 000
Technical Services	MI Grant	Sanitation/Sewerage	Nsikazi South Household Sanitation (Zone B)	22,23,26,29	Nsikazi South	R 0.00	R 14 000 000	R 12 000 000	R 12 000 000
Technical Services	MI Grant	Roads and Stormwater Management	Eradication of bermuda roads in various areas	Various Wards	Various Wards	R 0.00	R -	R 18 667 681	R 30 548 751
Technical Services	MI Grant	Community development	Phola Community Hall		Phola	R 0.00	R 4 500 000	R -	R -
Technical Services	MI Grant	Roads and Stormwater Management	Upgrade Of Phola Collector Road	5	Phola	R 0.00	R 2 600 000	R -	
Technical Services	MI Grant	Roads and Stormwater Management	Roads And Stormwater Kanyamazane Phase 3 (16, 52, 17 & 3)	18,19, 20	Kanyamazane	R 0.00	R 5 031 710	R -	
Technical Services	MI Grant	Roads and Stormwater Management	Construction Of Tekwane North Busroute	18	Tekwane North	R 0.00	R -	R -	R -
Technical Services	MI Grant	Roads and Stormwater Management	Upgrading Of Matsulu Streets And Bus Routes	13, 27, 28	Matsulu	R 0.00	R 5 000 000	R -	

2014/2015 FINAL CAPITAL BUDGET									
Department	Funding Source	Municipal Priority	Project Description	Wards	Location	2013/2014 - Roll-over	2014/2015	2015/2016	2016/2017
Technical Services	MI Grant	Roads and Stormwater Management	Pedestrian Crossing : Nsikazi North	25,29	Sandriver, Nyongane	R 0.00	R 2 000 000	R -	R 7 585 986
Technical Services	MI Grant	Roads and Stormwater Management	Pedestrian Crossing : Nsikazi South	36	Newscom	R 0.00	R 2 000 000	R -	R 7 585 986
Technical Services	MI Grant	Roads and Stormwater Management	Pedestrian Crossing : Ward 2, 4 & 29	2, 4, 29	Gedlembane, Lehawu and part of Zwelisha	R 0.00	R 2 000 000	R -	R -
Technical Services	MI Grant	Roads and Stormwater Management	Upgrade Of Daantjie Cemetry Road		Daantjie	R 0.00	R 9 235 667	R 4 000 000	R -
Technical Services	MI Grant	Roads and Stormwater Management	Upgrading of Kanyamazane Streets and Busroutes	19, 29	Kanyamazane	R 0.00	R 3 338 757	R -	R -
Technical Services	PTIS Grant	Public Transport	Upgrading Of Phumlani Bus Route	14	Phumlani	R 0.00	R 11 936 905	R -	R -
Technical Services	MI Grant	Water Supply	Upgrade Of Matsulu Bulk Water Supply			R 0.00	R 8 000 000	R -	R -
Technical Services	MI Grant	Water Supply	Construction Of An Additional 1ml/Day Dwaleni Package Plant And Bulkline Refurbishment	33	Dwaleni	R 0.00	R 16 245 000	R -	R -
Technical Services	MI Grant	Sanitation/Sewerage	Tekwane North Outfall Sewer	26	Tekwane North	R 0.00	R 4 385 965	R -	
Technical Services	MI Grant	Roads and Stormwater Management	Zwelisha Mluti Bus Route	4	Zwelisha Mluti	R 0.00	R 6 327 898	R -	
Technical Services	MI Grant	Water Supply	Provision Of Nsikazi North Via Karino Bulk Water Supply Scheme Phase 2	Nsikazi North Wards	Nsikazi North	R 0.00	R 15 000 000	R 45 000 000	R 90 000 000
Technical Services	MI Grant	Water Supply	Upgrading and Refurbishment of water reticulation networks in the Nsikazi North	Nsikazi North Wards	Nyongane	R 0.00	R -	R 20 000 000	R 28 663 751
Technical Services	MI Grant	Water Supply	Maggiesdal Township (IHS) - Planning, Design And Tender Documentation For Water And Sanitation Infrastructure		Maggiesdal	R 0.00	R 2 500 000	R 5 000 000	R 10 000 000
Technical Services	MI Grant	Water Supply	Tekwane Township (IHS) - Planning, Design And Tender Documentation For Water And Sanitation Infrastructure		Tekwane	R 0.00	R 500 000	R 5 000 000	
Technical Services	MI Grant	Water Supply	MIG: Newscom - Upgrade Bulk and network reticulation	36	Newscom	R 0.00	R 3 500 000	R 4 000 000	R -
Technical Services	MI Grant	Water Supply	MI Grant: Nzk - Msogwaba And Pienaar (Ward 22 & 23) Water Network Extentions	22, 23	Msogwaba	R 0.00	R 3 000 000	R 10 000 000	R -
Technical Services	MI Grant	Water Supply	Upgrade Of Matsulu Bulk Water Supply And Reticulation-For Extension 5 & 6		Matsulu	R 0.00	R 8 540 546	R 11 885 529	R -
Technical Services	MI Grant	Water Supply	MIG: Zwelisha B/Mluti Water Supply Phase 3	2	Zwelisha/Mluti	R 0.00	R -	R 5 250 581	R -

2014/2015 FINAL CAPITAL BUDGET									
Department	Funding Source	Municipal Priority	Project Description	Wards	Location	2013/2014 - Roll-over	2014/2015	2015/2016	2016/2017
Technical Services	MI Grant	Sanitation/Sewerage	Mataffin Sanitation structures	14	Mataffin	R 0.00	R 8 397 274	R -	R -
Technical Services	MI Grant	Roads and Stormwater Management	Replace 18 Culverts Damaged By Floods: Planning & Design		All Wards	R 0.00	R 3 000 000	R 5 750 865	R 5 000 000
Technical Services	MI Grant	Roads and Stormwater Management	Mataffin (Matsafeni Village) Internal Roads, Stormwater & Sub-Surface Drainage : Preliminary Design	14	Mataffin	R 0.00	R 2 000 000	R 5 000 000	R -
Technical Services	PTIS Grant	Public Transport	Construction Of Nelspruit Public Transport Rank And Ancillary Facilities		Nelspruit	R 0.00	R 29 000 000	R -	R -
Technical Services	PTIS Grant	Public Transport	Rocky's Drift Public Transport Facility		Rocky's Drift	R 0.00	R 7 000 000	R -	R -
Technical Services	PTIS Grant	Public Transport	Proposal For Testing, Evaluation And Design Of PT Priority Routes In Central Areas Of Nelspruit		Nelspruit	R 0.00	R 25 000 000	R 30 000 000	R 80 000 000
Technical Services	PTIS Grant	Public Transport	Public Transport Connector Roads			R 0.00	R -	R -	R 15 909 724
Technical Services	PTIS Grant	Public Transport	R40 From Dr. Enos Mabuza To TUT		Nelspruit	R 0.00	R 63 000 000	R -	R -
Technical Services	PTIS Grant	Public Transport	Kanyamazane: PT Transfer Facility		Kanyamazane	R 0.00	R 10 000 000	R 40 000 000	R 15 000 000
Technical Services	PTIS Grant	Public Transport	Matsulu: PT Transfer Facility		Matsulu	R 0.00	R 10 000 000	R 20 000 000	R 25 000 000
Technical Services	Own Funding	Water Supply	Servitude registration for White River bulk water supply pipe line		White River	R 0.00	R 450 000	R -	R -
Technical Services	Own Funding	Water Supply	Upgrade Of White River Country Estate Water System		White River	R 0.00	R 800 000	R -	R -
Technical Services	Own Funding	Water Supply	Desilting System For Hazyview Raw Water Pumpstation		Hazyview	R 0.00	R 900 000	R -	R -
Technical Services	Own Funding	Water Supply	Installation Of New Bulkwater Meters And Refurbishment Of Old Meters		All	R 0.00	R 700 000	R -	R -
Technical Services	Own Funding	Water Supply	Optimization Of Kanyamazane Water Treatment Works Chemical Dosing Processes And Equipping Of Water Quality Laboratory (Kanyamazane)		Kanyamazane	R 0.00	R 800 000	R -	R -
Technical Services	Own Funding	Water Supply	Installation of Water Reticulation Networks From Boreholes		All	R 0.00	R 1 000 000	R 1 100 000	R 3 500 000
Technical Services	Own Funding	Water Supply	Procurement Of Water SCADA System Phase 1		Hazyview	R 0.00	R 1 000 000	R 1 200 000	R 5 000 000
Technical Services	Water Services Operating Grant	Water Supply	DWA Refurbishment Programme		All	R 0.00	R 13 157 895	R 8 771 930	R 13 157 895

2014/2015 FINAL CAPITAL BUDGET									
Department	Funding Source	Municipal Priority	Project Description	Wards	Location	2013/2014 - Roll-over	2014/2015	2015/2016	2016/2017
Technical Services	Own Funding	Revenue Enhancement	Implementation Of The Water Conservation And Demand Management Programme		All	R 0.00	R 2 000 000	R 4 500 000	R 7 000 000
Technical Services	Own Funding	Water Supply	Redesign And Refurbishment Of Umhamba Pumpstation		Umhamba	R 0.00	R 700 000	R 800 000	R -
Technical Services	Service Contribution	Water Supply	Scw 902 - Upgrades Central Zone - Old WTW Pipline To Old Pta Rd	15; 16; 17	CBD	R 0.00	R 1 200 000	R -	R -
Technical Services	Service Contribution	Water Supply	Scw 1201 - Water: Upgrades Sonheuwel Upper Plan	15	Sonheuwel	R 0.00	R 350 000	R -	R -
Technical Services	Service Contribution	Water Supply	Scw 1301 - Water: Network Upgrading Giraffe Zone Ac Mains	16	Giraffe	R 0.00	R 600 000	R 1 050 000	R -
Technical Services	Service Contribution	Water Supply	SCW 909 - Water: Upgrading Of 'Saffier' Ps (Beryl Zone)	15	Stonehenge	R 0.00	R -	R 450 000	R -
Technical Services	Service Contribution	Water Supply	SCW 1101 - Water: Upgrades in Nst ext	15; 16; 17	Nelspruit	R 0.00	R 250 000	R 250 000	R -
Technical Services	Service Contribution	Water Supply	SCW 1302 - Water: Network upgrading Central Zone AC mains	15; 16; 17	CBD	R 0.00	R -	R 400 000	R -
Technical Services	Service Contribution	Water Supply	SCW 1303 - Water: Network upgrading Nelsville Zone AC mains		Nelsville	R 0.00	R -	R 400 000	R -
Technical Services	Service Contribution	Water Supply	SCW 1401 - Water: Bulk & Network upgrades	15; 16; 17	Nelspruit	R 0.00	R -	R -	R 1 465 600
Technical Services	Own Funding	Sanitation/Sewerage	Reconstruction Of Section Of White River Northern Outfall Sewer	28	White River	R 0.00	R 1 500 000	R 700 000	R -
Technical Services	Own Funding	Sanitation/Sewerage	Coltshill outfall sewer: Servitude compensation (Designs completed)	28	Coltshill	R 0.00	R 180 000	R 2 000 000	R -
Technical Services	Own Funding	Sanitation/Sewerage	Purchase Of Plant And Equipment	Institutional	Institutional	R 0.00	R 500 000	R 700 000	R 750 000
Technical Services	Own Funding	Sanitation/Sewerage	Chemical Dosing System At White River Waste Water Treatment Works	28	White River	R 0.00	R 500 000	R -	R -
Technical Services	Own Funding	Sanitation/Sewerage	Refurbishment Of Infrastructure Assets: Sanitation	Institutional	Institutional	R 0.00	R 500 000	R 750 000	R 6 000 000
Technical Services	Service Contribution	Sanitation/Sewerage	Scs 1013 - Sewer: Network Upgrading Ac Mains	14; 15; 16; 17	Nelspruit	R 0.00	R 500 000	R 500 000	R -
Technical Services	Service Contribution	Sanitation/Sewerage	SCS 910 - Sewer: Extensions To Existing Networks Development Needs	14; 15; 16; 17	Nelspruit	R 0.00	R 250 000	R 250 000	R -
Technical Services	Service Contribution	Sanitation/Sewerage	SCS 1402 - Sewer: Upgrade Bulk & reticulation	14; 15; 16; 17	Nelspruit	R 0.00	R -	R -	R 2 023 792

2014/2015 FINAL CAPITAL BUDGET									
Department	Funding Source	Municipal Priority	Project Description	Wards	Location	2013/2014 - Roll-over	2014/2015	2015/2016	2016/2017
Technical Services	Own Funding	Roads and Stormwater Management	Replace Small Plant And Equipment	Institutional	All areas	R 0.00	R 350 000	R 350 000	R 400 000
Technical Services	Own Funding	Roads and Stormwater Management	Kaapsche Hoop Road: Widening, Geometric Upgrading And Reconstruction Of Section From	15	West Acres	R 0.00	R 1 200 000	R -	R 5 000 000
Technical Services	Own Funding	Roads and Stormwater Management	R40 Through Hazzyview: Structural Analysis ,Design and tender documents. (Damaged By Ore	1	Hazzyview	R 0.00	R 700 000	R -	R -
Technical Services	Own Funding	Roads and Stormwater Management	Gedlembane Road - Msogwaba: Structural Analysis and Design	22	Msogwaba	R 0.00	R 750 000	R -	R -
Technical Services	Own Funding	Roads and Stormwater Management	Replace collapsed stormwater pipes and culverts in West Acres x 7, 8 & 30: Construction	15	West Acres	R 0.00	R 1 500 000	R 2 880 000	
Technical Services	Own Funding	Roads and Stormwater Management	New Gabion Structure West Acres Spruit Design and construction	15	West Acres	R 0.00		R 2 000 000	R 2 100 000
Technical Services	Own Funding	Roads and Stormwater Management	Design of New Parking at Civic Centre - 3 donated stands	16	Sonheuwel	R 0.00	R 450 000	R 472 500	R -
Technical Services	Own Funding	Roads and Stormwater Management	Repair of erosion damage - all streams in Nelspruit: Planning and Design	15,16,17	Nelspruit	R 0.00	R 1 000 000	R 1 100 000	R 3 500 000
Technical Services	Own Funding	Electricity Supply and Management	Riverside 4 Switching Station	14	Nelspruit	R 0.00	R 438 596	R 5 700 000	R -
Technical Services	Own Funding	Electricity Supply and Management	Phumlani Switching Station	14	White River	R 0.00	R 438 596	R 6 140 351	R -
Technical Services	Own Funding	Electricity Supply and Management	Boschrand Heights Substation	14	Nelspruit	R 0.00	R 877 193	R 1 754 386	R -
Technical Services	Own Funding	Electricity Supply and Management	Montana Substation	16	Nelspruit	R 0.00	R 877 193	R 1 754 386	R -
Technical Services	INEP	Electricity Supply and Management	Electrification of households	Various wards	Various zones	R 0.00	R 8 771 930	R 17 543 860	R 21 929 825
Technical Services	Borrowings	Electricity Supply and Management	Eskom POS	14, 15, 16, 17, 30 & 38	Nelspruit & White River	R 0.00	R 5 731 696	R -	R -
Technical Services	MI Grant	Electricity Supply and Management	Public lighting infrastructure	Various wards	Various zones	R 0.00	R -	R 8 771 930	R 877 193
Technical Services	Own Funding	Electricity Supply and Management	Upgrade of electrical offices	Institutional	Nelspruit & White River	R 0.00	R 263 158	R 263 158	R -
Technical Services	Own Funding	Electricity Supply and Management	Distribution & safety equipment	Institutional	Nelspruit & White River	R 0.00	R 350 877	R -	R -
Technical Services	Own Funding	Revenue Enhancement	Management of technical losses	14, 15, 16, 17, 30 & 38	Nelspruit & White River	R 0.00	R 2 192 982	R 2 631 579	R -

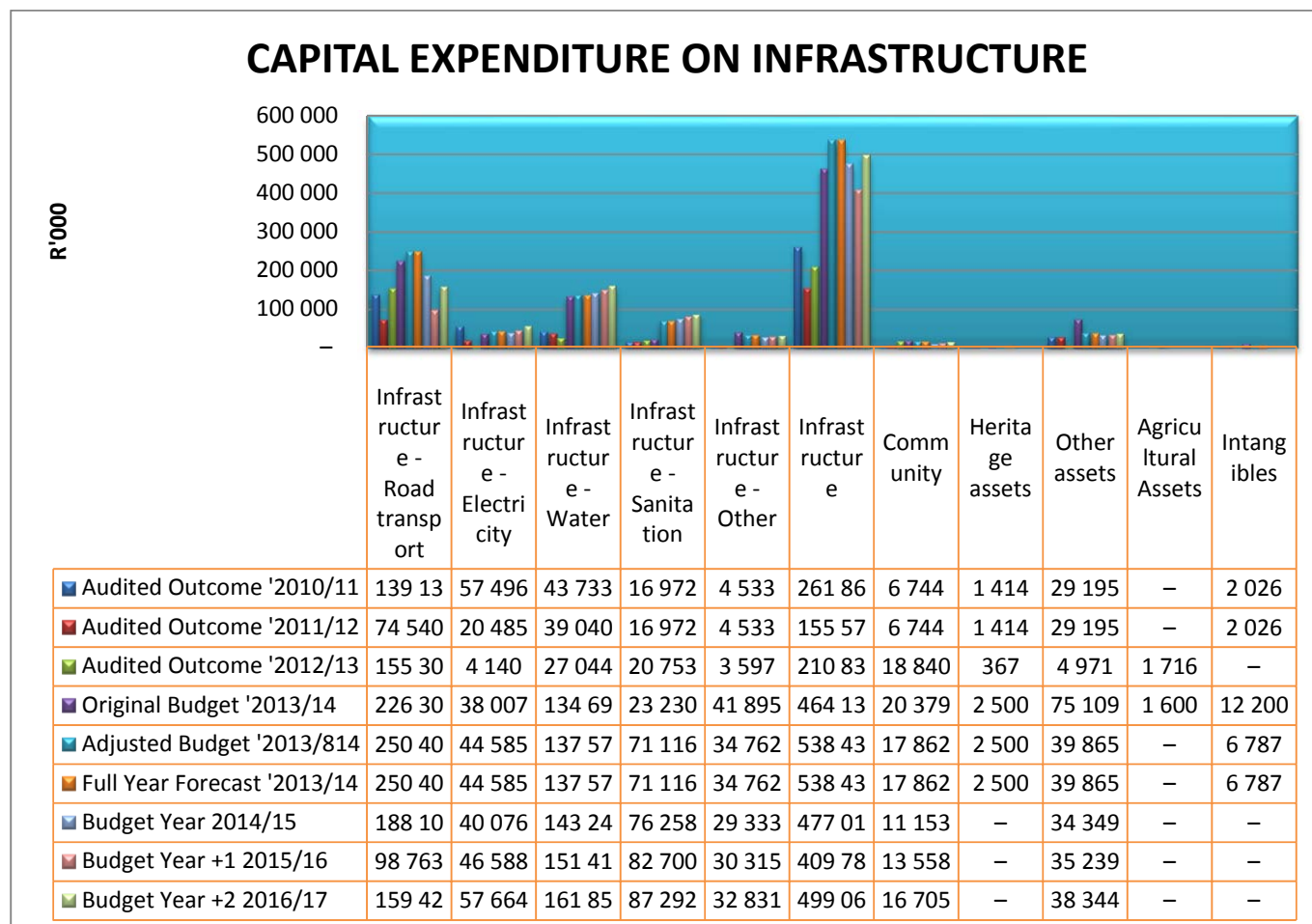
2014/2015 FINAL CAPITAL BUDGET									
Department	Funding Source	Municipal Priority	Project Description	Wards	Location	2013/2014 - Roll-over	2014/2015	2015/2016	2016/2017
Technical Services	Own Funding	Revenue Enhancement	Smart meters (residential)	14, 17 & 38	Nelspruit	R 0.00	R 964 912	R 2 000 000	R 5 000 000
Community Services	Own Funding	Good governance and institutional development	Upgrade of Ablution and Nursery		Nelspruit & White River	R 0.00	R 300 000	R 200 000	R -
Community Services	Own Funding	Community Development	Purchase of tree team equipment		Institutional	R 0.00	R 200 000	R 300 000	R 150 000
Community Services	Own Funding	Good governance and institutional development	Upgrade of storeroom facilities for machinery		Institutional	R 0.00	R 600 000	R 350 000	R 250 000
Community Services	Own Funding	Good governance and institutional development	Ablution Facilities at Cemeteries		Rocky's Drift, Tekwane North & Matsulu	R 0.00	R 500 000	R 500 000	R 500 000
Community Services	Own Funding	Community Development	Purchase of trailers		Institutional	R 0.00	R 100 000	R 120 000	R 150 000
Community Services	Own Funding	Community Development	Development of Nkambeni Cemetery		Nkambeni	R 0.00	R 500 000	R 750 000	R 800 000
Community Services	Own Funding	Community Development	Upgrade road to Rocky's Drift Cemetery and internal roads		Rocky's Drift	R 0.00	R 600 000	R -	R -
Community Services	Own Funding	Community Development	Alien Plant Control Equipment		Institutional	R 0.00	R 35 000	R -	R -
Community Services	MI Grant	Waste and environmental management	Tekwane West Central Waste Disposal Site	Ward 23	Tekwane	R 0.00	R 5 000 000	R 5 000 000	R 5 000 000
Community Services	Borrowings	Waste and environmental management	Establishment of Waste Transfer Stations	Ward 1, 16, 30 & 33	Nelspruit, Whiteriver, Hazyview, Kabokweni	R 2 000 000.00	R 3 500 000	R -	R -
Community Services	Own Funding	Waste and environmental management	Waste Storage Facilities		Nelspruit, Whiteriver, Hazyview, Kabokweni		R 1 000 000	R 1 200 000	R 3 500 000
Community Services	Own Funding	Community Development	Purchase of 20 Collapsible Structures Relief	1 - 39	Institutional	R 0.00	R 500 000	R 900 000	R 4 000 000
Community Services	Own Funding	Good governance and institutional development	Purchase of 40 Guard Houses	1 - 39	Institutional	R 0.00	R 350 000	R 450 000	R 450 000
Community Services	Own Funding	Good governance and institutional development	Purchase of 5 UPS for Traffic Technical	15	Nelspruit	R 210 000.00	R 240 000	R 150 000	R 300 000
Community Services	Own Funding	Good governance and institutional development	Cash counting machines Licensing	All	Institutional	R 0.00	R 78 000	R -	R -
Community Services	Own Funding	Community Development	Purchase new 5 Traffic Controllers	15	Nelspruit	R 200 000.00	R 300 000	R 360 000	R 400 000
Community Services	Own Funding	Good governance and institutional development	Upgrade of Traffic Technical Artisan ablutions facilities	15	Nelspruit	R 0.00	R 300 000	R -	R -

2014/2015 FINAL CAPITAL BUDGET									
Department	Funding Source	Municipal Priority	Project Description	Wards	Location	2013/2014 - Roll-over	2014/2015	2015/2016	2016/2017
Community Services	Own Funding	Community Development	Upgrading Municipal Pound	15	Nelspruit	R 0.00	R -	R -	R 400 000
Community Services	Own Funding	Good governance and institutional development	Purchase of 1 New Heavy roll-back Breakdown	1 - 39	Institutional	R 0.00	R -	R -	R 750 000
Community Services	Own Funding	Good governance and institutional development	Purchase of 20 9mm pistols	1 - 39	Institutional	R 0.00	R 80 000	R 95 000	R 120 000
Community Services	Own Funding	Good governance and institutional development	Purchase of 20 Alco meters	1 - 39	Institutional	R 0.00	R 150 000	R 160 000	R 100 000
Community Services	Own Funding	Good governance and institutional development	Purchase of 20 Bullet Proof Vests	1 - 39	Institutional	R 0.00	R 100 000	R 110 000	R 75 000
Community Services	Own Funding	Good governance and institutional development	Purchase of 8 Speed Enforcement Machine	1 - 39	Institutional	R 0.00	R 400 000	R 500 000	R -
Community Services	MI Grant	Community Development	Establishment of Public Safety Centre - Tekwane		Institutional	R 0.00	R -	R 5 000 000	R 5 000 000
Community Services	Own Funding	Good governance and institutional development	Purchase of 4 Traffic motorbikes	1;13;15;27;28;29;30	Institutional	R 0.00	R 350 000	R 410 000	R -
Community Services	Own Funding	Community Development	Upgrade of Nelspruit Fire Station	15	Nelspruit		R 500 000	R 500 000	R 500 000
Community Services	Own Funding	Community Development	Upgrade Kanyamazane Fire Station		Kanyamazane		R 300 000	R 220 000	R 500 000
Community Services	Own Funding	Community Development	Upgrade of White River Fire Station	30	White River	R 0.00	R 250 000	R 1 500 000	R 1 500 000
Community Services	Own Funding	Community Development	Purchase of New Matsulu Fire Station Equipment	17, 18	Matsulu; Kanyamazane; Tekwane South	R 0.00	R 450 000	R 550 000	R 600 000
Community Services	Own Funding	Community Development	Purchase of Protective Equipment-EMS		Municipal-Wide	R 0.00	R 220 000	R 260 000	R 300 000
Community Services	Own Funding	Community Development	Upgrade of Emergency Communication Centre		Municipal-Wide	R 0.00	R 450 000	R 120 000	R 150 000
Community Services	Own Funding	Good governance and institutional development	Upgrade and Install Security, Personnel and Cash Protection System-Licensing		Municipal-Wide	R 0.00	R 500 000	R 500 000	R -
Community Services	Own Funding	Community Development	Installation of new security palisade fence - Licencing		Municipal-Wide	R 0.00	-	R 170 000	R -
Community Services	Own Funding	Good governance and institutional development	Outsourcing of Motor Vehicle Records System			R 0.00	R 500 000	R 500 000	R 250 000
Community Services	MI Grant	Community Development	Construction of new Community Halls	5; 11; 12; 34; 36	Phola; Elandshoek; Ermelo; Phameni; Newscom	R 0.00	R 20 342 105	R 25 368 590	R 8 000 000

2014/2015 FINAL CAPITAL BUDGET									
Department	Funding Source	Municipal Priority	Project Description	Wards	Location	2013/2014 - Roll-over	2014/2015	2015/2016	2016/2017
Community Services	Own Funding	Community Development	Renovation of Civic Theatre	16	Mbombela	R 0.00	R 250 000	R 200 000	R -
Community Services	Own Funding	Community Development	Purchase of new theatre equipment	16	Mbombela	R 0.00	R 150 000	R 150 000	R -
Community Services	Own Funding	Community Development	Upgrading of Van Riebeeck Park swimming pool (change rooms & buildings)	All	All	R 3 333 524.00	R 2 500 000	R -	R 5 000 000
Community Services	Own Funding	Community Development	Swimming pool equipment	All	All	R 150 000.00	R 300 000	R 250 000	R 2 000 000
Community Services	Own Funding	Community Development	Upgrading of existing courts and change rooms	34; 39; 6; 17; 16; 38	Nsikazi; Nyongane; Msayi; Nelsville; Valencia; Kamagugu	R 0.00	R 500 000	R 750 000	R 900 000
Community Services	Own Funding	Community Development	Multi-purpose courts	16; 17; 13; 34; 39; 6; 38	Valencia Park; Nelsville; Matsulu; Nsikazi; Nyongane; Masoyi; Zwelisha; Kamagugu	R 0.00	R 500 000	R 1 000 000	R 1 200 000
Community Services	Own Funding	Community Development	Computer P.O.S. system for Swimming Pools	16; 17; 15; 30; 1	Nelspruit; Nelsville; Valencia Park; White River; Hazyview;	R 0.00	R 150 000	R 300 000	R 200 000
Community Services	Own Funding	2010 legacy	Purchasing of pitch covers	Institutional	Institutional	R 0.00	R -	R 2 000 000	R 2 000 000
Community Services	Own Funding	2010 legacy	Installation of Epoxy floors	Institutional	Institutional	R 0.00	R 500 000	R -	R -
Community Services	Own Funding	2010 legacy	Installation of terrain lights, south and east	Institutional	Institutional	R 0.00	R 700 000	R -	R -
Community Services	Own Funding	2010 legacy	Purchasing of vision mixer	Institutional	Institutional	R 0.00	R 140 000	R -	R -
Community Services	Own Funding	2010 legacy	Construction of athletics track, six lanes with civil works	Institutional	Institutional	R 0.00	R -	R 1 000 000	R 3 500 000
Community Services	Own Funding	2010 legacy	Develop pecan nut orchard for parking	Institutional	Institutional	R 0.00	R 500 000	R -	R 1 200 000
Community Services	Own Funding	2010 legacy	Installation of dim lights restaurant	Institutional	Institutional	R 0.00	R 62 000	R -	R -
Community Services	Own Funding	2010 legacy	Upgrading of Salubindza Stadium	9	Salubindza	R 0.00	R 150 000	R 250 000	R 300 000
Community Services	Own Funding	Community Development	Purchasing of Brushcutters and Ride on Lawnmowers for Community Halls	Institutional	Institutional	R 100 000.00	R 200 000		
LED, Urban and Rural Dev and Human Sett.	Own Funding	Economic Development	Job Linkage Centre	26	Msogwaba	R 1 000 000.00	R -	R -	R -
LED, Urban and Rural Dev and Human Sett.	Own Funding	Economic Development	Building of Trade Stalls (i.e. Kabokweni, Mahushu, Plaston, KNP, Kanyamazane & other areas)	33, 03 & 38	Kabokweni, Mahushu, Plaston, Kanyamazane	R 841 427.66	R 1 000 000	R 1 700 000	R 3 000 000

2014/2015 FINAL CAPITAL BUDGET									
Department	Funding Source	Municipal Priority	Project Description	Wards	Location	2013/2014 - Roll-over	2014/2015	2015/2016	2016/2017
LED, Urban and Rural Dev and Human Sett.	Own Funding	Economic Development	Provision of Barber Stalls	ALL	ALL	R 0.00	R 300 000	R 500 000	R 500 000
LED, Urban and Rural Dev and Human Sett.	Neighbourhood Grant (NDPG)	Economic Development	Upgrade of KaNyamazane, Mosgwaba and Luphisi road	ALL	KaNyamazane, Mosogwaba, Luphisi	R 0.00	R 2 437 193	R 5 908 772	R 6 392 982
LED, Urban and Rural Dev and Human Sett.	Own Funding	Integrated Human Settlement	Purchase of 300 foldable/collapsible structures	ALL	ALL		R 1 000 000	R 1 800 000	R 4 000 000
LED, Urban and Rural Dev and Human Sett.	Own Funding	Rural Development	Drilling and commissioning of boreholes for water supply in farms within Mbombela	Related Wards	All Rural Areas	R 0.00	R 500 000	R 700 000	R -
LED, Urban and Rural Dev and	Borrowings	Integrated human settlement	design, plans and installation and engineering services in maggiesdal,	15, 33, 12	Nelspruit, whiteriver and	R 7 894 529.17	R 4 105 471	R -	R -
Corporate Services	Own funding	Good governance and institutional development	Refurbishment of Nelspruit Civic Centre HVAC Plant	Institutional	Institutional	R 0.00	R 1 000 000	R 1 250 000	R 1 562 500
Corporate Services	Own funding	Good governance and institutional development	Creation of office space	Institutional	Institutional	R 0.00	R 100 000	R -	R -
Corporate Services	Own funding	Good governance and institutional development	Equipment for Medical examinations	Institutional	Institutional	R 0.00	R 500 000	R 600 000	R 200 000
Corporate Services	Own funding	Good governance and institutional development	Construction of brick wall and Pallsade around Kabokweni civic Centre	Institutional	Institutional	R 0.00	R 750 000	R 750 000	R -
Finance	Own Funding	Revenue Enhancement	Automated meter reading system for water and electricity meters	Institutional	Institutional	R 0.00	R 1 000 000	R 1 500 000	R 4 500 000
Finance	Own Funding	Good governance and institutional development	Purchase of Furniture and Equipment and Insurance replacements	Institutional	Institutional	R 0.00	R 2 300 000	R 4 000 000	R 6 000 000
Finance	Own Funding	Financial Management	Procurement of a National Treasury SCOA Compliant Financial System (ERP)	Institutional	Institutional	R 0.00	R 500 000	R 3 000 000	R 7 000 000
Finance	Own Funding	Financial Management	Upgrade of mechanical workshop – municipal vehicles storage facilities	Institutional	Institutional	R 0.00	R 1 500 000	R 1 500 000	R -
Finance	Own Funding	Financial Management	Procurement of fuel management system	Institutional	Institutional	R 1 200 000.00	R 1 500 000	R 1 522 500	R 1 598 625
Finance	Own Funding	Financial Management	Procurement of Fleet management system	Institutional	Institutional	R 2 000 000.00	R 700 000	R 2 970 000	R 3 267 000
Finance	Own Funding	Financial Management	Renovation of Nelspruit and White River municipal stores	Institutional	Institutional	R 0.00	R 1 500 000	R -	R -
Finance	Own Funding	Revenue Enhancement	Establishment of a one stop customer care centre	Institutional	Institutional	R 400 000.00	R 100 000	R -	R -
Planning	Own Funding	Good governance and institutional development	Implementation of disaster recovery plan and business continuity systems	institutional	institutional	R 0.00	R 1 500 000	R 200 000	R 1 200 000
Planning	Own Funding	Good governance and institutional development	New and upgrading of ICT Hardware	institutional	institutional	R 0.00	R 2 500 000	R 1 000 000	R 5 000 000
Planning	Own Funding	Good governance and institutional development	new and upgrading of ICT software systems	institutional	institutional	R 0.00	R 1 000 000	R 1 100 000	R 1 000 000
Planning	Own Funding	Good governance and institutional development	wireless connectivity to hazyview, kabokweni, kanyamazane	institutional	institutional	R 0.00	R 450 000	R 1 100 000	R -
Total Budget						R 17 329 481	R 522 517 328	R 458 580 088	R 554 114 609

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.



1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY

The following pages present the ten main budget tables as required in terms of regulation 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2014/15 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

MP322 Mbombela - Table A1 Consolidated Budget Summary										
Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance										
Property rates	197 865	245 816	274 317	313 814	304 919	304 919	304 919	324 308	349 919	381 164
Service charges	485 008	586 181	643 307	761 358	738 765	738 765	738 765	800 233	871 227	951 550
Investment revenue	7 729	—	—	5 780	3 956	3 956	3 956	6 226	6 973	7 810
Transfers recognised - operational	320 683	375 143	382 171	346 325	417 460	417 460	417 460	397 237	462 775	505 656
Other own revenue	116 218	126 062	210 084	184 175	184 653	184 653	184 653	200 148	224 165	251 065
Total Revenue (excluding capital transfers and contributions)	1 127 503	1 333 202	1 509 879	1 611 452	1 649 752	1 649 752	1 649 752	1 728 151	1 915 059	2 097 245
Employee costs	368 952	389 231	418 295	450 543	449 022	449 022	449 022	483 443	523 403	566 145
Remuneration of councillors	16 952	19 302	20 925	22 082	26 282	26 282	26 282	27 724	29 360	30 974
Depreciation & asset impairment	283 437	291 288	241 288	282 004	228 668	228 668	228 668	234 411	246 132	258 438
Finance charges	35 869	42 703	48 399	41 602	42 014	42 014	42 014	51 682	51 968	49 889
Materials and bulk purchases	300 328	369 832	419 534	440 481	454 514	454 514	454 514	489 230	528 783	571 347
Transfers and grants	271	271	282	25 601	21 162	21 162	21 162	138 363	148 855	159 548
Other expenditure	455 879	560 428	620 258	587 306	555 811	555 811	555 811	493 600	513 760	545 716
Total Expenditure	1 461 688	1 673 055	1 768 981	1 849 620	1 777 472	1 777 472	1 777 472	1 918 454	2 042 260	2 182 058
Surplus/(Deficit)	(334 185)	(339 853)	(259 103)	(238 168)	(127 720)	(127 720)	(127 720)	(190 302)	(127 201)	(84 813)
Transfers recognised - capital	122 033	89 511	168 277	394 816	444 898	444 898	444 898	511 234	463 703	538 402
Surplus/(Deficit) for the year	(212 152)	(250 342)	(90 825)	156 648	317 178	317 178	317 178	320 932	336 502	453 589
Capital expenditure & funds sources										
Capital expenditure	299 529	204 321	236 732	575 919	605 452	605 452	605 452	522 517	458 580	554 115
Transfers recognised - capital	128 676	90 336	163 788	332 813	441 456	441 456	441 456	418 672	374 516	441 652
Public contributions & donations	5 143	2 886	3 904	2 500	4 500	4 500	4 500	3 150	3 300	3 489
Borrowing	70 140	33 130	28 497	105 050	88 798	88 798	88 798	40 656	—	—
Internally generated funds	97 287	68 597	40 544	135 556	70 698	70 698	70 698	60 039	80 764	108 973
Total sources of capital funds	301 246	194 948	236 732	575 919	605 452	605 452	605 452	522 517	458 580	554 115
Financial position										
Total current assets	147 130	209 942	157 582	319 739	306 215	306 215	306 215	446 828	631 502	834 766
Total non current assets	5 583 796	5 556 114	5 551 872	5 701 656	5 969 822	5 969 822	5 969 822	6 255 304	6 464 711	6 658 647
Total current liabilities	499 937	556 235	647 856	208 560	363 989	363 989	363 989	268 979	300 570	384 300
Total non current liabilities	329 815	468 813	411 415	559 187	406 891	406 891	406 891	476 309	464 035	448 938
Community wealth/Equity	4 901 174	4 741 008	4 650 183	5 253 648	5 505 156	5 505 156	5 505 156	5 956 845	6 331 609	6 660 175
Cash flows										
Net cash from (used) operating	247 384	169 427	236 671	452 794	567 967	567 967	567 967	563 174	590 012	718 907
Net cash from (used) investing	(312 476)	(177 919)	(235 649)	(489 877)	(511 382)	(511 382)	(511 382)	(432 609)	(375 080)	(476 417)
Net cash from (used) financing	137 046	28 511	(17 256)	148 607	105 284	43 133	43 133	60 322	(18 600)	(20 560)
Cash/cash equivalents at the year end	15 773	35 792	19 558	221 680	181 426	119 276	119 276	310 163	506 494	728 424
Cash backing/surplus reconciliation										
Cash and investments available	38 370	49 425	33 255	262 845	222 592	222 592	222 592	344 980	538 858	757 904
Application of cash and investments	280 815	385 873	509 760	115 184	216 964	216 964	216 964	125 725	161 724	256 678
Balance - surplus (shortfall)	(242 445)	(336 448)	(476 506)	147 661	5 628	5 628	5 628	219 255	377 133	501 226
Asset management										
Asset register summary (WDV)	5 560 719	5 541 848	5 537 512	5 660 491	5 928 656	5 928 656	6 216 567	6 216 567	6 424 037	6 615 939
Depreciation & asset impairment	283 437	291 288	241 288	282 004	228 668	228 668	234 411	234 411	246 132	258 438
Renewal of Existing Assets	67 866	43 869	73 709	272 766	393 787	393 787	393 787	315 781	234 912	280 314
Repairs and Maintenance	132 297	133 564	153 645	111 194	111 194	111 194	119 283	119 283	128 641	139 777
Free services										
Cost of Free Basic Services provided	27 813	27 813	50 764	121 160	121 160	121 160	138 363	138 363	148 855	159 548
Revenue cost of free services provided	120 431	120 431	152 994	414 959	414 959	414 959	432 724	432 724	466 615	500 829
Households below minimum service level										
Refuse:	22	22	37	39	39	39	41	41	42	43

Explanatory notes to Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - (a) The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - (b) Capital expenditure is balanced by capital funding sources, of which;
 - (i) Transfers recognised are reflected on the Financial Performance Budget;
 - (ii) Borrowing is incorporated in the net cash from financing on the Cash Flow Budget; and
 - (iii) Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows positive cash balance which means that the municipalities' obligation will be met for the rest of the MTREF after considering its application of cash and investments.
5. The section of Free Services shows that the amount spent on Free Basic Services by the municipality continues to increase while the revenue cost continues to decrease for the MTREF.

MP322 Mbombela - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)										
Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard										
<i>Governance and administration</i>		497 880	584 625	700 309	1 079 711	1 193 615	1 193 615	1 285 017	1 340 053	1 500 853
Executive and council		25	262	1 734	10 241	6 719	6 719	7 344	8 145	8 918
Budget and treasury office		497 855	321 966	653 993	739 699	739 589	739 589	808 370	896 483	981 648
Corporate services		–	262 398	44 582	329 772	447 307	447 307	469 303	435 426	510 286
<i>Community and public safety</i>		76 840	14 878	47 432	20 450	13 106	13 106	14 325	15 758	17 255
Community and social services		833	997	1 199	973	757	757	828	911	997
Sport and recreation		50 563	10 351	41 238	15 366	8 984	8 984	9 820	10 802	11 828
Public safety		25 075	–	3 962	4 041	3 364	3 364	3 677	4 045	4 429
Housing		–	3 149	1 000	–	–	–	–	–	–
Health		369	381	32	70	–	–	–	–	–
<i>Economic and environmental services</i>		76 903	153 093	251 279	111 157	119 454	119 454	134 303	145 533	159 076
Planning and development		5 384	1 980	4 847	4 456	5 568	5 568	6 086	6 694	7 330
Road transport		71 519	151 113	246 432	106 701	113 886	113 886	128 217	138 838	151 746
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		597 913	670 116	679 135	794 950	768 474	768 474	801 820	873 028	953 546
Electricity		414 588	510 427	547 081	651 744	631 502	631 502	677 124	735 972	802 043
Water		85 059	58 625	48 821	47 391	45 601	45 601	35 886	39 258	43 018
Waste water management		52 203	48 190	18 053	21 958	20 513	20 513	19 653	21 446	23 581
Waste management		46 063	52 873	65 179	73 857	70 858	70 858	69 158	76 352	84 904
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	1 249 536	1 422 713	1 678 156	2 006 268	2 094 650	2 094 650	2 235 465	2 374 371	2 630 729
Expenditure - Standard										
<i>Governance and administration</i>		264 801	339 814	417 534	409 303	435 946	435 946	470 821	500 954	534 017
Executive and council		24 744	51 199	108 464	101 606	128 686	128 686	138 981	147 875	157 635
Budget and treasury office		240 058	109 697	123 597	109 646	96 664	96 664	104 397	111 078	118 409
Corporate services		–	178 917	185 473	198 052	210 596	210 596	227 444	242 000	257 972
<i>Community and public safety</i>		270 778	224 793	287 154	264 351	256 982	256 982	254 551	274 766	301 000
Community and social services		43 566	59 685	29 604	30 706	31 905	31 905	34 457	36 663	39 082
Sport and recreation		155 630	136 460	179 642	149 177	146 416	146 416	135 140	147 713	165 561
Public safety		63 749	–	69 309	73 060	72 600	72 600	78 408	83 426	88 932
Housing		–	16 009	4 536	6 828	5 011	5 011	5 412	5 758	6 139
Health		7 832	12 640	4 064	4 581	1 050	1 050	1 134	1 207	1 286
<i>Economic and environmental services</i>		248 014	313 756	239 643	345 134	230 218	230 218	270 409	284 817	300 524
Planning and development		55 389	24 725	38 159	42 816	37 896	37 896	40 927	43 547	46 421
Road transport		192 624	289 031	195 680	299 953	189 146	189 146	226 051	237 620	250 212
Environmental protection		–	–	5 804	2 366	3 177	3 177	3 431	3 650	3 891
<i>Trading services</i>		678 095	794 693	821 373	827 365	851 930	851 930	920 084	978 969	1 043 581
Electricity		367 005	449 423	501 249	505 368	518 359	518 359	559 827	595 656	634 970
Water		99 910	157 910	104 072	110 208	140 689	140 689	151 944	161 668	172 338
Waste water management		113 985	70 452	107 606	80 518	57 679	57 679	62 293	66 280	70 655
Waste management		97 195	116 907	108 446	131 271	135 203	135 203	146 020	155 365	165 619
<i>Other</i>	4	0	–	3 277	3 466	2 396	2 396	2 588	2 754	2 935
Total Expenditure - Standard	3	1 461 688	1 673 055	1 768 981	1 849 620	1 777 472	1 777 472	1 918 454	2 042 260	2 182 058
Surplus/(Deficit) for the year		(212 152)	(250 342)	(90 825)	156 648	317 178	317 178	317 012	332 111	448 671

Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) does balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case on Water, Waste water functions and the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.

MP322 Mbombela - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote	1									
Vote 1 - COUNCIL		25	–	1 338	–	–	–	–	–	–
Vote 2 - COUNCIL SUPPORT		–	3	9	21	21	–	–	–	–
Vote 3 - PLANNING,PERFORMAMNCE & MONITORING		–	–	4	1	1	–	–	–	–
Vote 4 - MUNICIPAL MANAGER		–	–	71	1	0	–	–	–	–
Vote 6 - FINANCIAL SERVICES		497 855	555 757	657 529	745 039	742 259	742 259	809 091	887 800	971 859
Vote 7 - TRANSVERAL		–	–	7	13	–	–	–	–	–
Vote 8 - CORPORATE SERVICES		–	1 757	65 813	748	1 516	1 516	1 645	1 809	1 981
Vote 9 - COMMUNITY SERVICES		122 904	301 972	145 735	221 238	209 650	209 672	213 430	234 773	257 076
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		5 384	5 061	5 913	4 465	5 583	5 583	6 057	6 663	7 296
Vote 11 - TECHNICAL SERVICES		623 368	558 163	801 736	1 034 743	1 135 620	1 135 620	1 205 243	1 243 327	1 392 518
Total Revenue by Vote	2	1 249 536	1 422 713	1 678 156	2 006 268	2 094 650	2 094 650	2 235 465	2 374 371	2 630 729
Expenditure by Vote to be appropriated	1									
Vote 1 - COUNCIL		24 744	18 338	23 850	32 161	33 769	33 769	36 470	38 804	41 365
Vote 2 - COUNCIL SUPPORT		–	13 223	14 393	22 639	23 771	23 771	25 673	27 316	29 118
Vote 3 - PLANNING,PERFORMAMNCE & MONITORING		18 068	30 612	24 405	40 817	42 858	42 858	46 287	49 249	52 500
Vote 4 - MUNICIPAL MANAGER		2 795	6 117	26 508	26 035	27 337	27 337	29 524	31 413	33 486
Vote 5 - DEPUTY MUNICIPAL MANAGER		22 367	12 498	145	9 084	9 538	9 538	10 301	10 960	11 684
Vote 6 - FINANCIAL SERVICES		67 696	197 160	205 675	138 989	145 938	145 938	157 613	167 700	178 768
Vote 7 - TRANSVERAL		–	–	4 610	7 781	8 170	8 170	8 823	9 388	10 008
Vote 8 - CORPORATE SERVICES		74 284	45 776	50 983	77 464	81 337	81 337	87 844	93 466	99 635
Vote 9 - COMMUNITY SERVICES		367 973	372 572	405 781	484 548	508 775	508 775	549 477	584 644	623 231
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		55 389	44 315	43 440	54 241	56 953	56 953	61 509	65 446	69 765
Vote 11 - TECHNICAL SERVICES		828 371	932 443	969 193	955 862	839 026	839 026	904 932	963 874	1 032 498
Total Expenditure by Vote	2	1 461 688	1 673 055	1 768 981	1 849 620	1 777 472	1 777 472	1 918 454	2 042 260	2 182 058
Surplus/(Deficit) for the year	2	(212 152)	(250 342)	(90 825)	156 648	317 178	317 178	317 012	332 111	448 671

Explanatory notes Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table A4 - Budgeted Financial Performance revenue and Expenditure

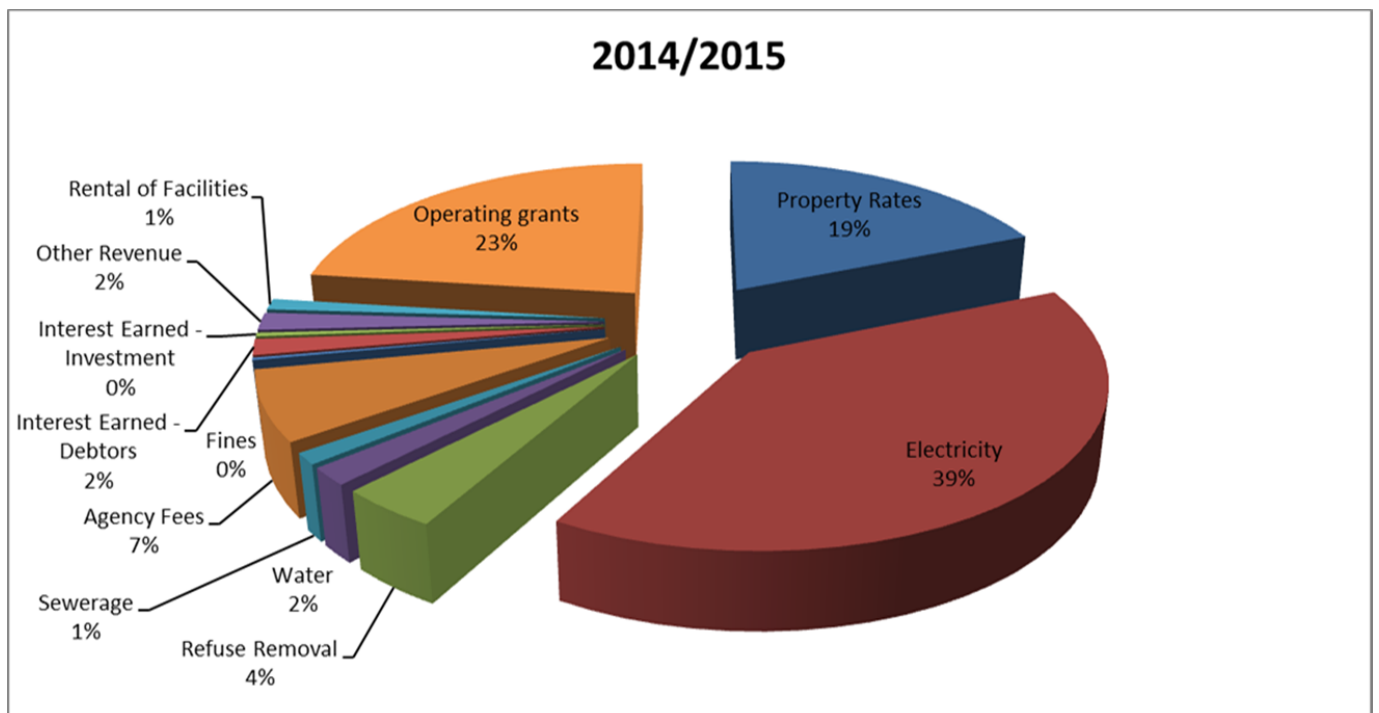
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	187,192	197,865	245,816	281,185	280,934	280,934	280,934	313,814	345,868	385,168
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	328,997	400,935	494,837	565,108	561,001	561,001	561,001	645,869	699,628	771,045
Service charges - water revenue	2	18,176	25,647	25,751	28,744	27,521	27,521	27,521	31,792	35,153	38,999
Service charges - sanitation revenue	2	12,657	12,644	14,827	17,214	15,805	15,805	15,805	17,494	19,364	21,479
Service charges - refuse revenue	2	41,861	45,782	52,745	57,813	58,843	58,843	58,843	66,203	74,676	84,664
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		1,412	26,496	16,431	19,441	16,538	16,538	16,538	22,523	25,226	28,253
Interest earned - external investments		16,390	7,729	8,710	4,019	2,731	2,731	2,731	5,780	6,474	7,251
Interest earned - outstanding debtors		24,027	18,625	19,309	18,954	22,095	22,095	22,095	24,525	27,468	30,764
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		3,023	3,079	2,982	3,742	3,198	3,198	3,198	3,582	4,012	4,493
Licences and permits		9	7	6	5,299	138	138	138	44	50	56
Agency services		20,137	20,663	22,676	87,272	87,537	87,537	87,537	106,653	119,452	133,786
Transfers recognised - operational		397,738	320,683	375,143	320,607	409,255	409,255	409,255	346,325	391,093	462,868
Other revenue	2	564,371	164,256	128,689	101,370	23,350	23,350	23,350	23,347	56,149	115,287
Gains on disposal of PPE		263	5,126	–	–	814	814	814	3,500	3,920	4,390
Total Revenue (excluding capital transfers and contributions)		1,616,253	1,249,537	1,407,922	1,510,767	1,509,760	1,509,760	1,509,760	1,611,452	1,808,533	2,088,503
Expenditure By Type											
Employee related costs	2	297,223	368,952	392,418	431,400	411,663	411,663	411,663	464,868	526,620	572,323
Remuneration of councillors		15,605	16,952	19,302	20,111	20,911	20,911	20,911	22,082	23,274	24,531
Debt impairment	3	51,063	8,993	55,364	76,009	70,737	70,737	70,737	75,262	82,228	78,081
Depreciation & asset impairment	2	196,892	283,437	292,083	288,339	283,839	283,839	283,839	282,004	316,493	365,488
Finance charges		18,822	35,870	44,463	42,168	27,592	27,592	27,592	56,248	54,274	51,968
Bulk purchases	2	211,512	300,328	372,330	380,728	382,598	382,598	382,598	412,320	450,988	493,282
Other materials	8	–	–	–	39,660	40,347	40,347	40,348	43,080	46,568	50,174
Contracted services		174,467	174,125	165,087	51,996	192,564	192,564	192,564	82,315	106,671	158,074
Transfers and grants		–	–	–	–	20,150	20,150	20,150	22,313	23,652	25,071
Other expenditure	4, 5	335,370	273,032	326,821	372,843	283,754	283,754	283,754	389,128	415,009	440,836
Loss on disposal of PPE		–	–	2,497	–	–	–	–	–	–	–
Total Expenditure		1,300,953	1,461,688	1,670,366	1,703,255	1,734,156	1,734,156	1,734,156	1,849,620	2,045,777	2,259,828
Surplus/(Deficit)											
Transfers recognised - capital		315,300	(212,152)	(262,445)	(192,488)	(224,396)	(224,396)	(224,396)	(238,168)	(237,245)	(171,325)
Contributions recognised - capital	6	–	–	–	248,523	307,186	307,186	307,186	394,816	516,247	476,247
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		315,300	(212,152)	(262,445)	56,035	82,790	82,790	82,790	156,648	279,002	304,922
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		315,300	(212,152)	(262,445)	56,035	82,790	82,790	82,790	156,648	279,002	304,922
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		315,300	(212,152)	(262,445)	56,035	82,790	82,790	82,790	156,648	279,002	304,922
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		315,300	(212,152)	(262,445)	56,035	82,790	82,790	82,790	156,648	279,002	304,922

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. The municipality will receive most of its revenue from service charge (electricity, water, sewerage and refuse removal services) amounting to R800 million indicating an increase of R61 million (8.3%) in 2014/2015 financial year and increases to R952 million over the medium-term. The revenue from electricity service charge remains relatively high at R681 million (39 per cent) of the total operating revenue budget and other services charge contributes 7 per cent.
2. The revenue from property rates will amount to R324 million after taking into account rates rebates in terms of the rates policy amounting to R127 million in 2014/2015 financial year and increases to R381

million over the medium-term. The property rates revenue contributes about 19 percent of the total operating revenue budget. It also be noted that a new general valuation roll will be implemented with effect from 01 July 2014.

3. Operating grants allocation comprising of equitable share and other small grants contributes 21 percent to the total operating revenue budget and will amount to R346 million in 2014/2015 financial year.
4. Revenue to be recognized from conditional grants after the grants have been utilized for the intended purpose will amount to R397 million, contributing 23 percent to the total operating revenue budget.
5. In conclusion, the graphic illustration the main revenue streams of the municipality is as follows;



The employees' remuneration cost will be R483 million in 2014/2015 financial year due to an increase of R34 million (7.6 per cent) and the expenditure to the total operating revenue budget, excluding conditional grants is 25 per cent. The employees remuneration cost will increase to R566 million in 2016/2017 financial year and the expenditure to the total operating budget will be 26 per cent.

The bulk purchase expenditure is mainly expenditure for bulk electricity purchase from Eskom and will increase to R446 million due to an average increase of 8.06 per cent granted to Eskom by the National Energy Regulator of South Africa, the increase will come into effect from 01 July 2014. The bulk purchase expenditure make up 23 per cent of the total operating expenditure budget.

The depreciation cost will be R234 million make up 12 per cent of the total operating expenditure and is about 4 per cent of the total assets carrying value of R5 787 billion. The depreciation costs represent the rate at which the assets of the municipality are utilized in rendering services and therefore the cost should be provided for/included on the budget to ensure the current ratepayers and users of the municipal services are able to contribute towards the refurbishment, upgrade and renewal of the assets.

The contracted and other expenditure increases by 15 per cent to R392 million in 2014/2015 and make up 20 per cent of the total operating expenditure budget. The decrease on the contracted and other expenditure is mainly attributed to the reallocation of certain expenditure items to transfers and grants expenditure category which as a results of this reclassification, it increases by 675 per cent to R138 million.

An allocation of R128 million of the contracted services and other expenditure budget is for operating programmes and projects that are aligned to the IDP - municipal development priorities. The priorities allocation is tabulated below and the detailed list of projects is attached as

Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

MP322 Mbombela - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 3 - PLANNING,PERFORMAMNCE & MONITORING		–	–	1 303	9 200	5 218	5 218	5 218	5 450	3 400	7 200
Vote 4 - MUNICIPAL MANAGER		1 777	1 866	180	–	–	–	–	–	–	–
Vote 5 - DEPUTY MUNICIPAL MANAGER		–	–	–	500	6	6	6	–	–	–
Vote 6 - FINANCIAL SERVICES		732	769	1 843	9 450	5 042	5 042	5 042	7 500	14 493	22 366
Vote 8 - CORPORATE SERVICES		2 006	2 106	1 962	12 690	14 102	14 102	14 102	2 250	2 600	1 763
Vote 9 - COMMUNITY SERVICES		47 246	49 608	3 448	36 439	47 556	47 556	47 556	36 744	42 605	48 745
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		11 050	11 603	–	24 890	8 074	8 074	8 074	5 237	10 609	13 893
Vote 11 - TECHNICAL SERVICES		238 434	128 997	216 486	265 926	308 712	308 712	308 712	189 239	383 454	439 599
Capital multi-year expenditure sub-total	7	301 246	194 948	225 222	359 095	388 709	388 709	388 709	246 420	457 160	533 565
Single-year expenditure, to be appropriated	2										
Vote 2 - COUNCIL SUPPORT		–	–	–	–	300	300	300	–	–	–
Vote 3 - PLANNING,PERFORMAMNCE & MONITORING		–	–	–	1 500	1 500	1 500	1 500	–	–	–
Vote 6 - FINANCIAL SERVICES		–	–	–	3 000	3 000	3 000	3 000	1 600	–	–
Vote 8 - CORPORATE SERVICES		–	–	–	2 500	2 500	2 500	2 500	100	–	–
Vote 9 - COMMUNITY SERVICES		–	–	4 552	11 500	14 500	14 500	14 500	6 053	170	1 150
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		–	–	–	4 000	2 726	2 726	2 726	4 105	–	–
Vote 11 - TECHNICAL SERVICES		–	–	6 958	194 324	192 217	192 217	192 217	264 239	1 250	19 399
Capital single-year expenditure sub-total		–	–	11 510	216 824	216 743	216 743	216 743	276 097	1 420	20 549
Total Capital Expenditure - Vote		301 246	194 948	236 732	575 919	605 452	605 452	605 452	522 517	458 580	554 115
Capital Expenditure - Standard											
<i>Governance and administration</i>		9 100	15 172	43 001	44 560	34 956	34 956	34 956	28 509	30 942	33 631
Executive and council				5 293	–	–	–	–	8 580	9 049	9 393
Budget and treasury office		2 461	15 172	–	9 950	10 701	10 701	10 701	12 676	13 926	15 418
Corporate services		6 639		37 708	34 610	24 255	24 255	24 255	7 252	7 967	8 821
<i>Community and public safety</i>		26 103	21 831	15 759	38 558	48 725	48 725	48 725	37 017	29 605	20 793
Community and social services		2 663	16 065	7 488	38 558	46 624	46 624	46 624	34 119	26 421	17 268
Sport and recreation		13 181	134	7 311	–	1 289	1 289	1 289	2 898	3 184	3 525
Public safety		10 259	5 632	15	–	–	–	–	–	–	–
Housing		–	–	945	–	812	812	812	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		62 605	76 535	96 613	267 395	248 687	248 687	248 687	254 207	179 756	209 072
Planning and development		784	1 373	1 912	40 390	12 430	12 430	12 430	39 186	35 881	33 517
Road transport		61 821	75 162	94 701	227 005	236 257	236 257	236 257	215 021	143 874	175 555
Environmental protection		–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		201 721	90 783	80 622	225 407	273 084	273 084	273 084	202 784	218 277	290 619
Electricity		58 189	22 536	7 897	41 947	65 368	65 368	65 368	45 514	43 055	35 963
Water		100 226	42 209	36 945	134 446	128 027	128 027	128 027	109 019	135 529	232 820
Waste water management		–	–	27 534	28 564	73 890	73 890	73 890	28 943	23 810	13 098
Waste management		43 306	26 039	8 245	20 450	5 800	5 800	5 800	19 308	15 883	8 738
<i>Other</i>		–	–	737	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	3	299 529	204 321	236 732	575 919	605 452	605 452	605 452	522 517	458 580	554 115
Funded by:											
National Government		128 676	90 336	163 788	332 813	441 456	441 456	441 456	418 672	374 516	441 652
Transfers recognised - capital	4	128 676	90 336	163 788	332 813	441 456	441 456	441 456	418 672	374 516	441 652
Public contributions & donations	5	5 143	2 886	3 904	2 500	4 500	4 500	4 500	3 150	3 300	3 489
Borrowing	6	70 140	33 130	28 497	105 050	88 798	88 798	88 798	40 656	–	–
Internally generated funds		97 287	68 597	40 544	135 556	70 698	70 698	70 698	60 039	80 764	108 973
Total Capital Funding	7	301 246	194 948	236 732	575 919	605 452	605 452	605 452	522 517	458 580	554 115

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. R523 million has been allocated for 2014/15 and an increase in 2016/17 amounting to R554 million.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds the availability of internal reserves will depend largely on collection of outstanding debts which has been projected at 36 per cent on average per annum over the medium term. For 2014/15, capital grants totals R417 million a decrease to R375 million by 2015/16 and increase to R442 million by 2016/17. Borrowing has been provided at R41 million for 2014/15 with internally generated funding totaling R60 million, R80 million and R108 million for each of the respective financial years of the MTREF.
5. The grants in-kind allocation for the 2014/2015 budget year amounts to R96 million.
6. The allocation of the capital funding on projects was based on the municipal priorities informed by the public participation and consultative process conducted during the review of the Integrated Development Plan (IDP).
7. The municipality will be spending in the next three years R954 billion (62 per cent) of the total capital expenditure budget) on services infrastructure development to address backlogs in terms of;
 - Bulk water and reticulation infrastructure allocation will be R276 million over the medium-term and allocation for 2014/2015 is R69 million. The construction work on the bulk water schemes namely; Karino and Nyongane water schemes will be continued to ensure that our people are provided with drinkable water in the near future.
 - Roads and storm water management infrastructure allocation will be R181 million over the medium-term and allocation for 2014/2015 is R79 million, a 24 kilometers bus route will be upgraded from gravel to tar roads.
 - Electricity supply and management infrastructure allocation will be R82 million over the medium-term and allocation for 2014/2015 is R18 million. The number of households to be electrified in 2014/2015 will be 700 and 4 substations will be upgraded at a cost of R17 million over the medium term.

- Sanitation and sewerage infrastructure allocation will be R140 million over the medium-term and allocation for 2014/2015 is R55 million. 402 household will be provided with decent toilets, 832 households will be provided with water borne sewerage system at a cost of R48 million in 2014/2015.

MP322 Mbombela - Table A6 Consolidated Budgeted Financial Position											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS											
Current assets											
Cash		15 773	35 792	19 558	221 680	181 426	181 426	181 426	306 243	498 183	715 196
Consumer debtors	1	72 165	66 194	64 688	67 763	94 493	94 493	94 493	107 447	99 050	84 125
Other debtors		44 946	93 011	57 745	15 274	15 274	15 274	15 274	17 566	17 917	18 275
Current portion of long-term receivables		254	65	18	-	-	-	-	-	-	-
Inventory	2	13 992	14 880	15 573	15 021	15 021	15 021	15 021	15 573	16 352	17 169
Total current assets		147 130	209 942	157 582	319 739	306 215	306 215	306 215	446 828	631 502	834 766
Non current assets											
Investments		22 597	13 633	13 696	41 165	41 165	41 165	41 165	38 737	40 674	42 708
Investment property		352 913	341 310	338 959	339 857	338 959	338 959	338 959	338 959	338 959	338 959
Investment in Associate					-	-	-	-	-	-	-
Property, plant and equipment	3	5 200 203	5 194 556	5 192 859	5 320 634	5 589 698	5 589 698	5 589 698	5 877 608	6 085 078	6 276 980
Intangible		7 603	5 982	5 694	-	-	-	-	-	-	-
Other non-current assets		480	633	664	-	-	-	-	-	-	-
Total non current assets		5 583 796	5 556 114	5 551 872	5 701 656	5 969 822	5 969 822	5 969 822	6 255 304	6 464 711	6 658 647
TOTAL ASSETS		5 730 925	5 766 056	5 709 454	6 021 395	6 276 036	6 276 036	6 276 036	6 702 133	7 096 213	7 493 413
LIABILITIES											
Current liabilities											
Borrowing	4	13 261	15 385	14 260	12 865	20 865	20 865	20 865	17 406	19 160	21 091
Consumer deposits		1 834	10 163	13 038	1 062	13 038	13 038	13 038	13 038	13 168	13 300
Trade and other payables	4	484 841	530 688	620 559	192 052	318 850	318 850	318 850	226 738	255 854	336 902
Provisions					2 580	11 236	11 236	11 236	11 797	12 387	13 007
Total current liabilities		499 937	556 235	647 856	208 560	363 989	363 989	363 989	268 979	300 570	384 300
Non current liabilities											
Borrowing		314 793	357 050	299 335	368 889	299 823	299 823	299 823	363 887	345 992	324 993
Provisions		15 022	111 762	112 080	190 298	107 069	107 069	107 069	112 422	118 043	123 945
Total non current liabilities		329 815	468 813	411 415	559 187	406 891	406 891	406 891	476 309	464 035	448 938
TOTAL LIABILITIES		829 752	1 025 048	1 059 271	767 747	770 880	770 880	770 880	745 288	764 605	833 238
NET ASSETS	5	4 901 174	4 741 008	4 650 183	5 253 648	5 505 156	5 505 156	5 505 156	5 956 845	6 331 609	6 660 175
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		4 901 174	4 741 008	4 650 183	5 253 648	5 505 156	5 505 156	5 505 156	5 956 845	6 331 609	6 660 175
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	4 901 174	4 741 008	4 650 183	5 253 648	5 505 156	5 505 156	5 505 156	5 956 845	6 331 609	6 660 175

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table SA3 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

MP322 Mbombela - Table A7 Consolidated Budgeted Cash Flows											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		1 383 218	871 465	965 852	1 162 545	1 134 064	1 134 064	1 134 064	1 191 844	1 312 187	1 437 477
Government - operating	1		482 643	624 578	346 325	346 486	346 486	346 486	397 237	462 775	505 656
Government - capital	1				394 816	391 326	391 326	391 326	511 234	463 703	538 402
Interest		26 354	22 059	25 058	27 320	22 837	22 837	22 837	33 942	38 015	42 577
Payments											
Suppliers and employees		(1 126 318)	(1 182 273)	(1 353 290)	(1 413 793)	(1 322 112)	(1 322 112)	(1 322 112)	(1 392 788)	(1 497 614)	(1 607 566)
Finance charges		(35 869)	(24 195)	(25 246)	(42 106)	(25 798)	(25 798)	(25 798)	(39 931)	(40 199)	(38 092)
Transfers and Grants	1		(271)	(282)	(22 313)	21 162	21 162	21 162	(138 363)	(148 855)	(159 548)
NET CASH FROM/(USED) OPERATING ACTIVITIES		247 384	169 427	236 671	452 794	567 967	567 967	567 967	563 174	590 012	718 907
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		6 121	6 703	1 178	3 500	3 279	3 279	3 279	3 920	4 390	4 917
Decrease (Increase) in non-current debtors		580	(153)	(31)	79 369	40 790	40 790	40 790	85 988	79 109	72 781
Decrease (increase) in non-current investments		(10 855)	8 963	(63)	-	40 000	40 000	40 000	-	-	-
Payments											
Capital assets		(308 322)	(193 433)	(236 732)	(572 746)	(595 452)	(595 452)	(595 452)	(522 517)	(458 580)	(554 115)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(312 476)	(177 919)	(235 649)	(489 877)	(511 382)	(511 382)	(511 382)	(432 609)	(375 080)	(476 417)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		131 784	29 443	15 272	-	-	-	-	-	-	-
Borrowing long term/refinancing		5 418	(771)	(2 595)	160 000	119 544	57 393	57 393	77 151	-	-
Payments											
Repayment of borrowing		(156)	(160)	(29 932)	(11 393)	(14 260)	(14 260)	(14 260)	(16 828)	(18 600)	(20 560)
NET CASH FROM/(USED) FINANCING ACTIVITIES		137 046	28 511	(17 256)	148 607	105 284	43 133	43 133	60 322	(18 600)	(20 560)
NET INCREASE/ (DECREASE) IN CASH HELD		71 954	20 019	(16 234)	111 524	161 868	99 718	99 718	190 887	196 331	221 930
Cash/cash equivalents at the year begin:	2	(56 181)	15 773	35 792	110 156	19 558	19 558	19 558	119 276	310 163	506 494
Cash/cash equivalents at the year end:	2	15 773	35 792	19 558	221 680	181 426	119 276	119 276	310 163	506 494	728 424

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2014/15 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

- The above table reflects that the municipality will be able to improve its cashflow position from R119 million in 2013/14 to (102 percent) R310 million in 2014/2015, R506 million in 2015/16 and increase to R728 million in 2016/217 financial year.
- The cash inflows will be generated from operating activities amounting to R2 134 billion and financing activities amounting to R77 million.
- The cash received will be utilised for operating activities amounting to R1 581 billion, investing (capital expenditure) activities amounting to R522 million and financing activities (repayment of borrowings) amounting to R17 million.
- The cash of R318 million to be retained at the end of the financial year will be for the following purposes;

Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

MP322 Mbombela - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	15 773	35 792	19 558	221 680	181 426	119 276	119 276	310 163	506 494	728 424
Other current investments > 90 days		0	0	0	0	0	62 151	62 151	(3 920)	(8 310)	(13 228)
Non current assets - Investments	1	22 597	13 633	13 696	41 165	41 165	41 165	41 165	38 737	40 674	42 708
Cash and investments available:		38 370	49 425	33 255	262 845	222 592	222 592	222 592	344 980	538 858	757 904
<u>Application of cash and investments</u>											
Unspent conditional transfers		128 929	104 132	138 521	48 019	132 437	132 437	132 437	51 123	46 370	53 840
Other working capital requirements	3	151 886	281 741	371 240	67 165	84 527	84 527	84 527	62 804	102 967	189 831
Other provisions									11 797	12 387	13 007
Total Application of cash and investments:		280 815	385 873	509 760	115 184	216 964	216 964	216 964	125 725	161 724	256 678
Surplus(shortfall)		(242 445)	(336 448)	(476 506)	147 661	5 628	5 628	5 628	219 255	377 133	501 226

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

- The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
- In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
- The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
- Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
- Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2012/13 MTREF was not funded owing to the significant deficit.

6. As part of the budgeting and planning guidelines that informed the compilation of the 2014/15 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
7. As can be seen the budget has been modeled to progressively move from R5,6 million in 2013/14 to a surplus of R501 million by 2016/17.

MP322 Mbombela - Table A9 Consolidated Asset Management										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CAPITAL EXPENDITURE										
Total New Assets	1	233 380	151 079	163 023	303 154	211 666	211 666	206 736	223 668	273 800
Infrastructure - Road transport		85 197	44 600	117 921	126 995	91 509	91 509	87 256	99 360	141 190
Infrastructure - Electricity		50 288	13 277	2 851	9 514	18 128	18 128	19 034	19 986	21 185
Infrastructure - Water		43 192	38 500	—	89 083	64 463	64 463	65 448	67 725	73 143
Infrastructure - Sanitation		14 224	14 224	20 146	7 018	7 018	7 018	7 032	7 243	7 308
Infrastructure - Other		4 533	4 533	1 802	6 245	6 245	6 245	6 870	7 420	7 716
Infrastructure		197 434	115 134	142 720	238 855	187 362	187 362	185 640	201 732	250 542
Community		5 825	5 825	17 361	12 669	5 243	5 243	5 183	5 478	5 964
Heritage assets		1 414	1 414	367	—	—	—	—	—	—
Other assets	6	27 832	27 832	859	44 280	15 473	15 473	15 913	16 458	17 295
Agricultural Assets		—	—	1 716	1 600	—	—	—	—	—
Intangibles		875	875	—	5 750	3 587	3 587	—	—	—
Total Renewal of Existing Assets	2	67 866	43 869	73 709	272 766	393 787	393 787	315 781	234 912	280 314
Infrastructure - Road transport		53 937	29 940	37 383	99 308	158 897	158 897	100 845	12 310	70 268
Infrastructure - Electricity		7 208	7 208	1 288	28 494	26 457	26 457	21 042	26 602	36 479
Infrastructure - Water		540	540	27 044	45 612	73 107	73 107	77 494	70 786	88 715
Infrastructure - Sanitation		2 748	2 748	607	16 212	64 099	64 099	69 227	75 457	27 947
Infrastructure - Other		—	—	1 795	35 650	28 516	28 516	22 767	22 896	25 115
Infrastructure		64 433	40 436	68 117	225 276	351 076	351 076	291 375	208 051	248 523
Community		919	919	1 480	7 710	12 618	12 618	5 971	8 080	10 742
Heritage assets		—	—	—	2 500	2 500	2 500	—	—	—
Other assets	6	1 363	1 363	4 112	30 829	24 392	24 392	18 436	18 781	21 050
Intangibles		1 151	1 151	—	6 450	3 200	3 200	—	—	—
Total Capital Expenditure	4									
Infrastructure - Road transport		139 134	74 540	155 304	226 303	250 405	250 405	188 102	111 670	211 457
Infrastructure - Electricity		57 496	20 485	4 140	38 007	44 585	44 585	40 076	46 588	57 664
Infrastructure - Water		43 733	39 040	27 044	134 696	137 570	137 570	142 942	138 511	161 857
Infrastructure - Sanitation		16 972	16 972	20 753	23 230	71 116	71 116	76 258	82 700	35 255
Infrastructure - Other		4 533	4 533	3 597	41 895	34 762	34 762	29 637	30 315	32 831
Infrastructure		261 867	155 570	210 838	464 131	538 439	538 439	477 015	409 783	499 065
Community		6 744	6 744	18 840	20 379	17 862	17 862	11 153	13 558	16 705
Heritage assets		1 414	1 414	367	2 500	2 500	2 500	—	—	—
Other assets		29 195	29 195	4 971	75 109	39 865	39 865	34 349	35 239	38 344
Agricultural Assets		—	—	1 716	1 600	—	—	—	—	—
Intangibles		2 026	2 026	—	12 200	6 787	6 787	—	—	—
TOTAL CAPITAL EXPENDITURE - Asset class	2	301 246	194 948	236 732	575 919	605 452	605 452	522 517	458 580	554 115
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		1 153 295	1 120 929	1 176 975	1 452 156	1 452 156	1 452 156	1 524 764	1 601 002	1 681 052
Infrastructure - Electricity		475 121	477 591	501 471	537 416	537 416	537 416	564 287	592 501	622 127
Infrastructure - Water		1 031 087	1 037 938	1 089 834	1 177 407	1 177 407	1 177 407	1 236 277	1 298 091	1 362 995
Infrastructure - Sanitation		582 518	572 516	601 142	607 912	607 912	607 912	638 308	670 223	703 735
Infrastructure - Other		210	79 445	564 769	209 877	478 940	478 940	511 313	450 468	360 639
Infrastructure		3 242 231	3 288 419	3 934 191	3 984 768	4 253 832	4 253 832	4 474 949	4 612 286	4 730 548
Community		1 268 811	1 198 731	1 258 668	1 335 866	1 335 866	1 335 866	1 402 659	1 472 792	1 546 432
Investment properties		352 913	341 310	338 959	339 857	338 959	338 959	338 959	338 959	338 959
Other assets		689 161	707 406	—	—	—	—	—	—	—
Intangibles		7 603	5 982	5 694	—	—	—	—	—	—
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	5 560 719	5 541 848	5 537 512	5 660 491	5 928 656	5 928 656	6 216 567	6 424 037	6 615 939
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		283 437	291 288	241 288	282 004	228 668	228 668	234 411	246 132	258 438
Repairs and Maintenance by Asset Class	3	132 297	133 564	153 645	111 194	111 194	111 194	119 283	128 641	139 777
Infrastructure - Road transport		48 307	48 307	36 842	51 535	51 535	51 535	54 469	57 994	62 772
Infrastructure - Electricity		25 046	25 046	29 027	19 091	19 091	19 091	20 619	22 474	24 497
Infrastructure - Water		13 452	13 452	22 165	1 719	1 719	1 719	1 856	2 023	2 205
Infrastructure - Sanitation		10 767	10 767	14 528	1 719	1 719	1 719	1 873	2 042	2 226
Infrastructure - Other		10 315	10 831	15 417	594	594	594	641	699	762
Infrastructure		107 888	108 404	117 981	74 657	74 657	74 657	79 458	85 232	92 462
Community		15 022	15 773	28 076	6 794	6 794	6 794	7 405	8 072	8 798
Other assets	6, 7	9 387	9 387	7 588	29 743	29 743	29 743	32 420	35 337	38 518
TOTAL EXPENDITURE OTHER ITEMS		415 735	424 852	394 933	393 198	339 861	339 861	353 694	374 773	398 216
Renewal of Existing Assets as % of total capex		22.5%	22.5%	31.1%	47.4%	65.0%	65.0%	60.4%	51.2%	50.6%
Renewal of Existing Assets as % of deprecn"		23.9%	15.1%	30.5%	96.7%	172.2%	172.2%	134.7%	95.4%	108.5%
R&M as a % of PPE		2.5%	2.6%	3.0%	2.1%	2.0%	2.0%	2.0%	2.1%	2.2%
Renewal and R&M as a % of PPE		4.0%	3.0%	4.0%	7.0%	9.0%	9.0%	7.0%	6.0%	6.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. For the 2014/2015 financial year, 22 per cent or (R79 million) of total repairs and maintenance by asset class will be spent on infrastructure assets. Roads infrastructure has received a significant proportion of this allocation totaling 15 per cent (R54 million), followed by other assets totaling 9 per cent (R32 million), Electricity at 5.8 per cent (R21 million), Community at 2 per cent (R7 million).

MP322 Mbombela - Table A10 Consolidated basic service delivery measurement										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling		126 051	126 051	131 344	146 545	146 545	146 545	153 872	161 566	169 644
<i>Minimum Service Level and Above sub-total</i>		126 051	126 051	131 344	146 545	146 545	146 545	153 872	161 566	169 644
Total number of households	5	126 051	126 051	131 344	146 545	146 545	146 545	153 872	161 566	169 644
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		97 473	97 473	102 031	104 795	104 795	104 795	110 035	115 536	121 313
Pit toilet (ventilated)		3 140	3 140	4 370	5 195	5 195	5 195	5 455	5 727	6 014
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		100 613	100 613	106 401	109 990	109 990	109 990	115 490	121 264	127 327
Total number of households	5	100 613	100 613	106 401	109 990	109 990	109 990	115 490	121 264	127 327
<u>Energy:</u>										
Electricity (at least min.service level)		147 259	147 259	148 061	150 778	150 778	150 778	158 317	166 233	174 544
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		147 259	147 259	148 061	150 778	150 778	150 778	158 317	166 233	174 544
Total number of households	5	147 259	147 259	148 061	150 778	150 778	150 778	158 317	166 233	174 544
<u>Refuse:</u>										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		9 744	9 744	15 281	16 045	16 045	16 045	16 847	17 184	17 528
Using communal refuse dump		2 121	2 121	7 416	7 787	7 787	7 787	8 176	8 340	8 506
Using own refuse dump		5 234	5 234	6 804	7 144	7 144	7 144	7 501	7 651	7 804
No rubbish disposal		4 500	4 500	7 938	8 335	8 335	8 335	8 752	8 927	9 105
<i>Below Minimum Service Level sub-total</i>		21 599	21 599	37 439	39 311	39 311	39 311	41 276	42 102	42 944
Total number of households	5	21 599	21 599	37 439	39 311	39 311	39 311	41 276	42 102	42 944
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		5 625	5 625	10 215	161 773	161 773	161 773	161 773	169 862	169 862
Sanitation (free minimum level service)		5 625	5 625	10 215	161 773	161 773	161 773	161 773	169 862	169 862
Electricity/other energy (50kwh per household per month)		5 625	5 625	10 215	13 703	13 703	13 703	13 446	13 446	13 446
Refuse (removed at least once a week)		1 219	1 219	2 207	13 703	13 703	13 703	13 446	13 446	13 446
Cost of Free Basic Services provided (R'000)	8	-	-	-	-	-	-	-	-	-
Water (6 kilolitres per household per month)		21 778	21 778	39 323	111 354	111 354	111 354	72 790	78 310	83 935
Electricity/other energy (50kwh per household per month)		4 500	4 500	9 271	7 528	7 528	7 528	34 819	37 459	40 150
Refuse (removed once a week)		1 535	1 535	2 170	2 278	2 278	2 278	30 754	33 086	35 463
Total cost of FBS provided (minimum social package)		27 813	27 813	50 764	121 160	121 160	121 160	138 363	148 855	159 548
Highest level of free service provided										
Property rates (R value threshold)		80 000	80 000	80 000	80 000	80 000	80 000	80 000	80 000	80 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		3 019	3 019	4 981	5 304	5 304	5 304	5 304	5 570	5 570
Property rates (other exemptions, reductions and rebates)		77 651	77 651	108 690	128 128	128 128	128 128	121 433	129 405	137 504
Water		32 198	32 198	39 323	138 141	138 141	138 141	149 883	162 473	175 796
Sanitation		581	581		138 141	138 141	138 141	149 883	162 473	175 796
Electricity/other energy		5 355	5 355		5 244	5 244	5 244	6 221	6 693	6 163
Refuse		1 627	1 627							
Total revenue cost of free services provided (total social package)		120 431	120 431	152 994	414 959	414 959	414 959	432 724	466 615	500 829

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. It is anticipated that these Free Basic Services will cost the municipality R138 million in 2014/15. This is covered by the municipality's equitable share allocation from national government.
2. In addition to the Free Basic Services, the Municipality also 'gives' households R433 million in free services in 2014/15.

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget process overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2013) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 23 August 2013. Key dates applicable to the process were:

(a) Planning Phase

The Mayor tabled in Council the required the IDP and budget time schedule on 24 August 2013 – council resolution (A5). The following process was followed during the review of MLM IDP and Budget for 2014/2015.

(b) Analysis Phase

Community based Planning (CBP) meetings took place during 01- 30 November 2013. The main aim of the meetings was to report on the municipality performance and achievements of the previous financial year and also to give the communities an opportunity to raise and confirm priority issues that need to be addressed within the next 2014/2016 financial year.

(c) Strategy Phase

A Mayoral Lekgotla was held from 25 -26 February 2014 to refine and confirm the municipal strategic objectives and priorities for 2014/2015 IDP Review based on the community needs as outlined in table 1.4.1 below and the national, provincial, district priorities.

The Lekgotla (Mayoral) which was attended by Executive, Mayor, Speaker, Chief Whip, MMCs (political office bearers), Chairpersons of Section 79 Oversight Committees, Municipal Manager, General Managers and Senior Managers also reviewed the municipal performance from 2012 to 2013 and re-confirmed the municipality's IDP development priorities.

(d) Project Phase

On 31 January to 01 February 2014, the municipality held a Technical Lekgotla comprising of Municipal Manager, General Managers (GM), Senior Managers (SM), Managers and Planners to identify projects that must be prioritised in the 2014/2015 IDP Review, informed by the Mayoral Lekgotla resolutions and community priorities.

A follow up Mayoral Lekgotla was held on the 04th March 2014 and 14th March 2014, to finalise the priorities and programmes to guide to the crafting of the draft IDP and Budget for 2014/2015 financial year.

(e) Integration Phase

During the finalisation of IDP projects, the municipality will consider programmes from sector departments and other governmental parastatals such as ESKOM, and the projects will be included in Chapter 6 of the revised 2014 - 2017 IDP.

The municipality has approved the Spatial Development Framework (SDF) to guide all the future development, and is in the process of developing and reviewing the key sector plans that will assist in achieving the constitutional obligations. The sector plans amongst others include the Long term strategic plan (Vision 2030), Local Economic Development Strategy, Environmental Management Framework, Integrated Waste Management Plan, Comprehensive Infrastructure Plan and Disaster Management Plan.

(f) Approval Phase

The Draft 2014/15 Budget was tabled before council for approval on the 05th June 2014. The notice on the document was advertised on local print media on 17 June 2014. Moreover, the document is also placed on the municipal website and in all the municipal service centres i.e Nelspruit Civic Centre, White River Civic Centre, Hazzyview Civic Centre, Kabokweni Civic Centre, Kanyamazane Civic Centre and Matsulu Civic Centre on 20 June 2014 for public awareness of the approved budget.

The public participation and consultative process with regard to the approved final IDP and budget was undertaken from 16 May 2014 until 23 May 2014. Five zonal community participation meetings were held as well as two other meetings one with organised stakeholders, attended by stakeholders such as Kruger Lowveld Chamber Business and Tourism (KLCBT), NAFCOC, Ratepayers Association and Farmers Association and another with traditional leaders thereafter ward based meetings will be held to create

public awareness and meaningful participation regarding the approved IDP and budget the local print media and the local radio stations were used for publication.

All the comments and inputs received during the consultative process were analysed, and those critical were incorporated into the IDP and budget where necessary.

2.1.2 IDP and service delivery and budget implementation plan

It started in August 2013 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2014/15 MTREF.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- (a) Registration of community needs;
- (b) Compilation of departmental business plans including key performance indicators and targets;
- (c) Financial planning and budgeting process;
- (d) Public participation process;
- (e) Compilation of the SDBIP, and
- (f) The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2014/15 MTREF, based on the approved 2013/14 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2014/15 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2013/14 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial modelling and key planning drivers

As part of the compilation of the 2014/2015 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2014/15 – 2016/2017 annual budget and MTREF:

- (a) Municipality's growth
- (b) Policy priorities and strategic objectives
- (c) Asset maintenance
- (d) Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- (e) Performance trends
- (f) The approved 2013/14 adjustments budget and performance against the SDBIP
- (g) Cash Flow Management
- (h) Debtor payment levels
- (i) Loan and investment possibilities
- (j) The need for tariff increases versus the ability of the community to pay for services

(k) Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51, 54, 55, 58, 59, 66, 67, 70, 71 and 72 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community consultation

Chapter 4 of the MSA states that municipalities must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must encourage, and create conditions for the local community to participate in the affairs of the municipality including the preparation, implementation and review of its IDP, Budget and Performance Management System. It furthermore states that participation by the local community must take place through Political Structures, Ward Committees and Councillors. In compliance to this, MLM has adopted Public participation policy, Community Based Planning policy and policy on Ward

2.1.5 Committees and participation

The participation of communities is driven through a Ward Committee System managed by the Public Participation Unit in the Office of the Speaker and the IDP Representative Forum. The central role of Ward Committees is to facilitate local community participation in decisions which affect the local community, to articulate local community interests and to represent these interests within the municipal governing structures. MLM's public participation process comprises of registration of ward needs, specific Ward Imbizo(s) and participation sessions and comments on the IDP.

Key to the participation process is a Needs Database developed per ward and managed by the Office of the Executive Mayor and Municipal Manager through the Corporate Strategy (IDP Unit). This database comprises of an inventory of development issues and needs recorded in each of the wards in Mbombela over a number of years. This Needs Database serves as the basis for community consultation and participation in the municipality and as inputs to the Departmental Business Planning process. During each annual IDP review process, Ward Committees and Ward Councilors are given an opportunity to update the priority issues and needs for their specific ward areas. This process takes place at the beginning of the revision process. The updated Needs Database informs the business plan formulation process conducted by various line functional departments of the municipality.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA.

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the

development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- (a) Green Paper on National Strategic Planning of 2009;
- (b) Government Programme of Action;
- (c) Development Facilitation Act of 1995;
- (d) Provincial Growth and Development Strategy (GGDS);
- (e) National and Provincial spatial development perspectives;
- (f) Relevant sector plans such as transportation, legislation and policy;
- (g) National Key Performance Indicators (NKPis);
- (h) Accelerated and Shared Growth Initiative (ASGISA);
- (i) National 2014 Vision;
- (j) National Spatial Development Perspective (NSDP); and
- (k) The National Priority Outcomes.

2.2.1 National priorities

The President on his 2014 State of the Nation Address mentioned five national priorities which should be embedded by all spheres of government on the planning and budgeting processes for the medium-term. The government has introduced the New Growth Plan that will guide the work of all spheres of government in achieving the goals relating these national priorities within the premise that the creation of decent work is at the centre of our economic policies.

The five national priorities are;

- (a) Creating decent jobs;
- (b) Improving the quality of education;
- (c) Enhancing health services;
- (d) Enhancing rural development and agrarian; and
- (e) Fight against crime and corruption.

In His address, the President has further declared 2014 as a year of job creation. The municipalities should align their programmes with the job creation imperative.

To achieve this national priority, municipalities are urged to when drafting 2015/2016 budgets to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the EPWP. The municipality ought to focus on maximizing its contribution to job creation by;

- (a) Ensuring that service delivery and capital project use labour intensive methods wherever appropriate.
- (b) Ensuring that service providers use labour intensive approaches.
- (c) Supporting labour intensive LED projects.
- (d) Participating fully in the EPWP/National youth service plan NYDP.
- (e) Implementing interns programmes to provide young people with on-the-job training

The Constitution requires local government to relate its management, budgeting and planning functions to achieve its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's seven strategic objectives for the 2014/15 MTREF and further planning refinements that have directly informed the compilation of the budget:

2.2.2 IDP strategic objectives

The municipality's development priority and objectives

IDP Development priority	IDP Development objective
Institutional development and transformation	<ul style="list-style-type: none"> To build strong sustainable governance and institutional structures and arrangements To redefine strategic macro leadership and coordination structures involving the local, district, provincial and national government
Infrastructure and sustainable services	<ul style="list-style-type: none"> To strengthen the delivery of basic services and ensure sustainable integrated human settlement supported by infrastructure development
Rural Development	<ul style="list-style-type: none"> To strengthen the delivery of basic services and ensure sustained integrated human settlement supported by infrastructure development To formulate a broad over-arching human capital and community development
Economic development	<ul style="list-style-type: none"> To initiate a strong and sustainable local/regional economic development potential and sustainable environmental management

Financial management and viability	<ul style="list-style-type: none"> To ensure legally sound financial viability and management
Human capital and community development	<ul style="list-style-type: none"> To formulate a broad over-arching human capital and community development
2010 Legacy and Flagship projects concept	<ul style="list-style-type: none"> To initiate a strong and sustainable local/regional economic development potential and sustainable environmental management To strengthen the delivery of basic services and ensure sustained integrated human settlement supported by infrastructure development To formulate a broad over-arching human capital and community development To build strong sustainable governance and institutional structures and arrangements To redefine strategic macro leadership and coordination structures involving the local, district, provincial and national government

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the seven strategic objectives:

Alignment of MLM IDP priorities with National, Provincial and District Priorities

MILLENNIUM DEVELOPMENT GOALS	IDP PRIORITIES- MUNICIPAL RESPONSE
Develop a Global Partnership for Development	<ul style="list-style-type: none"> ➤ 2010 legacy and flagship projects ➤ Human capital and community development
Eradicate extreme poverty and hunger	<ul style="list-style-type: none"> ➤ Infrastructure & sustainable services ➤ Human capital and community development ➤ Economic development ➤ Rural development
Combat HIV/AIDS, malaria and other diseases	<ul style="list-style-type: none"> ➤ Human capital and community development ➤ 2010 legacy and flagship projects ➤ Economic development
Ensure environmental sustainability	<ul style="list-style-type: none"> ➤ 2010 legacy and flagship projects

Promote gender equality and empower women	<ul style="list-style-type: none"> ➤ Human capital and social development ➤ 2010 legacy and flagship projects
NATIONAL PRIORITIES	IDP PRIORITIES- MUNICIPAL RESPONSE
Corruption	<ul style="list-style-type: none"> ➤ 2010 legacy and flagship projects
Education	<ul style="list-style-type: none"> ➤ Human capital and community development
Health	<ul style="list-style-type: none"> ➤ 2010 legacy and flagship projects
The fight against crime	<ul style="list-style-type: none"> ➤ 2010 legacy and flagship projects ➤ Rural development
Creation of decent work & sustainable livelihoods	<ul style="list-style-type: none"> ➤ Economic development ➤ Infrastructure & sustainable services ➤ 2010 legacy and flagship projects ➤ Rural development
Rural development, food security & land reform	<ul style="list-style-type: none"> ➤ Economic development ➤ Infrastructure & sustainable services ➤ Human capital and community development ➤ Rural development
PROVINCIAL PRIORITIES	IDP PRIORITIES- MUNICIPAL RESPONSE
Agriculture	<ul style="list-style-type: none"> ➤ Human capital and community development ➤ Economic development ➤ Rural development
Skills	<ul style="list-style-type: none"> ➤ Human capital and community development ➤ Institutional development & transformation ➤ Infrastructure & sustainable services
Economic growth & job creation	<ul style="list-style-type: none"> ➤ Economic development ➤ 2010 legacy and flagship projects ➤ Rural development
Strategic infrastructure	<ul style="list-style-type: none"> ➤ 2010 legacy and flagship projects ➤ Infrastructure & sustainable services
Tourism, Environment & Cultural Heritage	<ul style="list-style-type: none"> ➤ Human capital & community development ➤ Flagship projects ➤
Social cohesion	<ul style="list-style-type: none"> ➤ Human capital and community development ➤ 2010 legacy and flagship projects

DISTRICT PRIORITIES	IDP PRIORITIES- MUNICIPAL RESPONSE
Basic service and infrastructure development	➤ Infrastructure & sustainable services
Local economic development	➤ Economic development ➤ 2010 legacy and flagship projects
Institutional transformation and development	➤ Institutional development and transformation ➤ 2010 legacy and flagship projects
Financial viability and management	➤ 2010 legacy and flagship projects ➤ Financial management and viability
Public participation and good governance	➤ Institutional development and transformation ➤ 2010 legacy and flagship projects
Traditional leaders	➤ Human capital and community development ➤ 2010 legacy and flagship projects

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the seven strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into six strategic focus areas/objectives as outlined below:

- To initiate a strong and sustainable Local/Regional Economic Development Potential and Sustainable Environmental Management
- To Strengthen the Delivery of Basic Services and ensure Sustained Integrated Human Settlement supported by Infrastructure Development
- To formulate a Broad Over-arching Human Capital and Community Development
- To build strong sustainable governance and institutional structures and arrangements
- To ensure legally sound financial viability and management
- To redefine strategic macro leadership and coordination structures involving the Local, District, Provincial and National Government

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the revision of the IDP, including:

- There was one standardized template used to collect information, where the communities identified their priorities, detailed problem statement and the specific section / village;
- During the consultation, communities were given an opportunity to identify key priority needs and suggest solutions;
- Diverse developmental needs in areas within each ward were noted during the Analysis phase
- Poor attendance in some wards during the consultation meetings has negative effects;
- Consultation with communities for their needs is not the analysis of needs; analysis requires further research, evaluation and a decision making process;
- Communities should be provided with maps of their areas during consultation process to assist the municipality in mapping social needs;
- Government departments and parastatals are not attending IDP meetings even though they are invited;
- Upon the approval of the IDP and Budget, each ward should receive information of all projects/ programmes across the three spheres of government and other stakeholders that will be implemented in their respective wards;
- There is a need for an organized consultation process with sector departments from both the municipality and district perspective.

The 2014/15 – 2016/2017 final budget and MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

MP322 Mbombela - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
To initiate a strong and sustainable Local/Regional Economic Development Potential and sustainable Environmental Management	Economic Development			8 521	40 198	41 002	49 493	51 967	51 967	55 605	58 941	63 657
To strengthen the Delivery of Basic Services and ensure sustained Integrated Human Settlement supported by Infrastructure Development	Infrastructure & sustainable services			626 506	658 183	671 346	1 044 711	1 085 015	1 085 015	1 160 966	1 230 624	1 329 074
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development			116 710	148 387	151 354	84 514	88 739	88 739	94 951	100 648	108 700
To build strong sustainable governance and institutional strutures and arrangements	Institutional development & transformation			8 288	39 965	40 764	45 168	47 426	47 426	50 746	53 791	58 094
To ensure legally sound Financial viability and Management	Financial management & viability			489 512	535 980	773 689	782 382	821 502	821 502	873 197	930 367	1 071 205
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	1 249 537	1 422 713	1 678 156	2 006 268	2 094 650	2 094 650	2 235 465	2 374 371	2 630 729

MP322 Mbombela - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand												
To initiate a strong and sustainable Local/Regional Economic Development Potential and sustainable Environmental Management	Economic Development			60 957	102 693	104 747	45 507	45 598	45 598	49 246	53 186	57 972
To strengthen the Delivery of Basic Services and ensure sustained Intergrated Human Settlement supported by Infrastructure Development	Infrastructure & sustainable services			849 521	891 257	909 082	1 046 198	1 048 291	1 048 291	1 109 165	1 202 189	1 318 979
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development			276 346	318 082	324 443	372 629	373 374	373 374	403 244	435 504	474 699
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation			30 312	72 047	73 488	106 148	106 361	106 361	114 869	124 059	135 224
To ensure legally sound Financial viability and Management	Financial management & viability			415 707	288 976	357 220	279 137	203 848	203 848	241 929	227 322	195 184
Allocations to other priorities												
Total Expenditure			1	1 632 844	1 673 055	1 768 981	1 849 620	1 777 472	1 777 472	1 918 454	2 042 260	2 182 058

MP322 Mbombela - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
To initiate a strong and sustainable Local/Regional Economic Development Potential and sustainable	Economic Development	A		16 316	16 316	16 349	6 192	6 192	6 192	3 737	8 109	9 893
To strengthen the Delivery of Basic Services and ensure sustained Intergrated	Infrastructure & sustainable services	C		234 592	141 795	142 079	477 010	509 341	509 341	444 620	364 807	455 499
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development	E		35 592	35 592	35 663	67 278	56 824	56 824	45 603	48 865	35 600
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation	G		1 245	1 245	1 247	13 450	21 105	21 105	14 548	13 925	17 758
To ensure legally sound Financial viability and Management	Financial management & viability	I				41 394	10 701	10 701	10 701	11 958	19 624	28 366
To Maintain and Sustain the 2010 legacy projects	2010 legacy projects	J					1 289	1 289	1 289	2 052	3 250	7 000
Allocations to other priorities			3									
Total Capital Expenditure			1	301 246	194 948	236 732	575 919	605 452	605 452	522 517	458 580	554 115

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

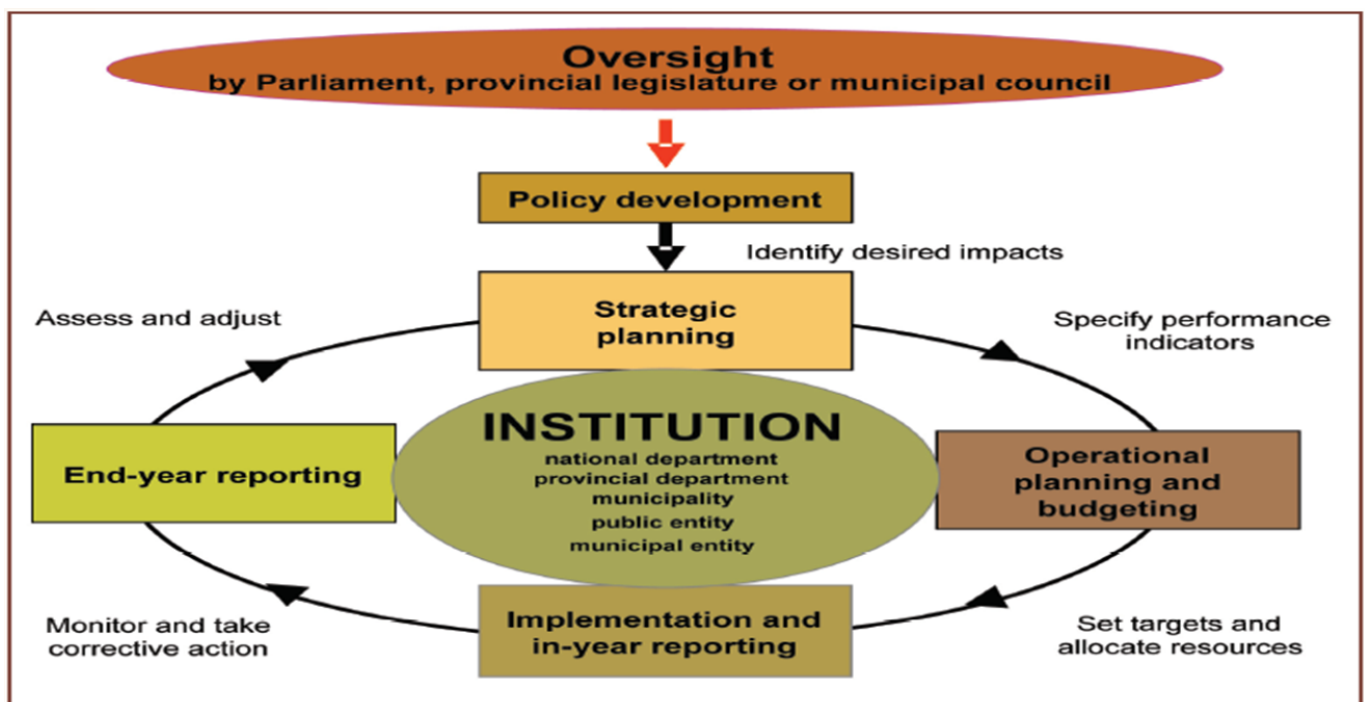


Figure 1 Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- (a) Planning (setting goals, objectives, targets and benchmarks);
- (b) Monitoring (regular monitoring and checking on the progress against plan);
- (c) Measurement (indicators of success);
- (d) Review (identifying areas requiring change and improvement);
- (e) Reporting (what information, to whom, from whom, how often and for what purpose); and

(f) Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury.

The following table sets out the municipality's main performance objectives and benchmarks for the 2014/15 MTREF.

MP322 Mbombela - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<u>Borrowing Management</u>											
Credit Rating		A2 za	A2 za	A2 za	A2 za	A2 za	A2 za	A2 za			
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating Expenditure	2.5%	2.6%	4.4%	2.9%	3.2%	3.2%	3.2%	3.6%	3.5%	3.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.5%	4.5%	6.9%	4.2%	4.6%	4.6%	4.6%	5.1%	4.9%	4.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	81.9%	28.2%	18.4%	66.5%	75.0%	36.0%	36.0%	76.6%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.3	0.4	0.2	1.5	0.8	0.8	0.8	1.7	2.1	2.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.3	0.4	0.2	1.5	0.8	0.8	0.8	1.7	2.1	2.2
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.1	0.0	1.1	0.5	0.5	0.5	1.1	1.7	1.9
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		174.3%	90.9%	85.7%	98.9%	96.2%	96.2%	96.2%	96.7%	96.6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		174.2%	91.0%	85.7%	92.6%	92.8%	92.8%	92.8%	90.2%	91.1%	91.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	10.4%	11.9%	8.1%	5.2%	6.7%	6.7%	6.7%	7.2%	6.1%	4.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	90.0%	90.0%	90.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Creditors to Cash and Investments		2256.4%	1191.8%	2434.4%	65.0%	102.7%	156.3%	156.3%	56.6%	41.4%	38.9%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses (Rand '000)	61193899 48 343	31 000	39 665							
Water Distribution Losses (2)	Total Volume Losses (kL) Total Cost of Losses (Rand '000)	618 5332196.64	2000000	2731865							
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.7%	29.2%	27.7%	28.0%	27.2%	27.2%	27.2%	28.0%	27.3%	27.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	34.2%	29.4%	29.1%	29.9%	50.7%	50.7%		50.1%	29.3%	28.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	11.7%	10.0%	10.2%	6.9%	6.7%	6.7%		6.9%	6.7%	6.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	28.3%	25.1%	19.2%	20.1%	16.4%	16.4%	16.4%	16.6%	15.6%	14.7%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	36.3	17.4	29.1	34.1	34.1	34.1	24.3	23.5	23.0	25.2
ii.OS Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for	16.5%	18.8%	13.1%	7.6%	10.3%	10.3%	10.3%	10.9%	9.4%	7.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.2	0.4	0.2	1.9	1.6	1.0	1.0	2.4	3.7	5.0

2.3.1 Financial performance indicators and benchmarks

(a) Borrowing management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Mbombela Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2014/15 MTREF.

Borrowing to asset ratio is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. It can be noted that the borrowing asset ratio of Mbombela local municipality is increasing for the medium term.

Capital charges to operating expenditure are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has decreased significantly due to a non-current borrowing of R77 million approved for funding of 2014/2015 capital expenditure.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2014/15 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

(b) Safety of Capital

The debt-to-equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves.

(c) Liquidity

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2014/15 MTREF the current ratio is 1.7 in the 2015/16 financial year and 2.0 and 2.2 for 2016/17. Going forward it will be necessary to maintain these levels or even more.

The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2013/14 financial year the ratio was 0.5 and as part of the financial planning strategy it has been increased to 1.2 in the 2014/15 and increasing to 1.6 and 1.9 in 2016/17 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

(d) Revenue Management

As part of the financial sustainability strategy, the municipality has revised its revenue enhancement strategy and theme of the strategy is, “let us make revenue management everyone’s business in the municipality” we believe that through the aggressive implementation of the strategy framework, the financial stability in the short-term and sustainability in the long-term will be achieved. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

(e) Creditors Management

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100% compliance rate to this legislative obligation. This has had a favourable impact on suppliers’ perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality’s business.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2014/15 financial year 13,466 registered indigents will be provided for in the budget. In terms of the Municipality’s indigent policy registered households are entitled to 6kl fee water, 50 kwh of electricity, 6 kℓ sanitation and free waste removal equivalent to 85ℓ once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table A10 (Basic Service Delivery Measurement) .

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

2.3.3 Providing clean water and managing waste water

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

Minimum Green Drop certification standards. This has been prioritised as part of the 2014/15 medium term capital budget.

The following is briefly the main challenges facing the Municipality in this regard:

- (a) The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- (b) Shortage of skilled personnel makes proper operations and maintenance difficult;

- (c) Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and
- (d) There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

- (a) Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
- (b) The filling of vacancies has commenced and the Waste Water Division will embark on an in-house training programme, especially for operational personnel;
- (c) The Electricity Division is to install dedicated power supply lines to the plants; and
- (d) The Division is working in consultation with the Department of Water Affairs to address catchment management.
- (e) Updating the infrastructure plan of the municipality.

2.4 OVERVIEW OF BUDGET RELATED-POLICIES

As required by law, the budgeting process is guided and governed by relevant legislations, framework and policies, all the budget related policies must be reviewed annually. Any amendments, additions or deletions have been tabled to Council for approval on 30 May 2013.

Mbombela Local Municipality has reviewed the following Budget Related policies for the financial year 2014/2015:

2.4.1 Virement policy

This is a policy that is designed to manage the shifting of funds within and between votes during a financial year. Its main objective is to give guidance to all relevant stakeholders on how to shift and manage funds within their budgets as per approved delegations.

The Municipal Budget and Reporting Regulations (No 3241) and Circular 51 issued by the National Treasury serve as guidelines in implementation of this policy.

2.4.2 Budget policy

The budget policy deals mainly with all matters regarding budget matters. It gives a direction on how all the processes should be followed. The legislative and compliance requirements in terms of time lines are also indicated in this policy.

2.4.3 Credit control and debt collection policy and by-laws

The policy is required in terms of chapter 9 of the Municipal Systems Act (MSA) no 32 of 2000 (s 95, 96, 97 and 98). A policy must be developed in order to provide for a mechanism on which credit control and debt collection measures will be effected. The guidelines required by the Act in terms of s 97(1)(a) – (i) must be clearly indicated in the policy.

Section 98 of the MSA further requires that Council must adopt by laws to give effect to the policy, its implementation and enforcement.

There following is the proposed amendments which need to be incorporated into the policy and or by-law which include amongst others:

- (a) Guideline on development of a policy dealing with deposit structure incorporated into the deposit policy
- (b) Profiling of customers
- (c) Categorisation of debtors
- (d) Collection of outstanding monies as per s118 of the Municipal Systems Act.

2.4.4 Economic investment and promotion policy

This policy is a newly developed policy from the Local Economic Development unit. Its major objective is to provide a framework for the uniform development of incentives in Mbombela Local Municipality that will assist to

- (a) attract investment.
- (b) return existing investment.
- (c) stimulate and create job opportunities.
- (d) support investment into IDP projects.

As per deliberations, it was agreed that proper enforcement of this policy will have positive and beneficial impact to the municipality. The proposed types of incentives were also look at it was then agreed that a phase in approach as per the provisions Municipal Property Rates Act No 6 of 2004. These provisions are outlined in the Mbombela Local Municipality Property Rates By Law in terms of section 9.4.1(b).

2.4.5 Investment policy

This policy gives effect to the requirements as set out on s 13(2) of the Municipal Finance Management Act no 56 of 2003 and the Municipal Investment Regulations (Gazette 2743) of April 2005.

All investment related practices are guided by the implementation of this policy. It clearly outlines the roles and responsibilities of all role players in the management of the cash resources.

After deliberations during the workshop it was resolved that no proposed amendments.

2.4.6 Funding and reserves policy

The provisions of the funding and reserves policy is incorporated into the budget policy.

2.4.7 Indigent policy

The department of Cooperative Governance and Traditional Authorities has issued a guideline on formulation of Indigent Policy. This guideline has been used in developing the Indigent Policy for Mbombela Local Municipality.

EPWP initiatives form part of this indigent policy in job creation for the indigents. The linkage of the Supply Chain Management policy to the Indigent policy must be seriously considered as well as LED policy.

2.4.8 Payroll discrepancy policy

A policy has been developed in terms of the Basic Conditions of Employment Act No 75 of 1997 s34 (5)(a):

The policy has been developed and its main objectives are:

- (a) To establish policy and procedures for identifying, correcting and recovering salary overpayments and correcting underpayments
- (b) To ensure consistent application of actions taken when implementing the policy
- (c) Establish control measures to mitigate the risk of overpayments and early detection should such occur whether due to human error, technological failure or fraudulent activities.

2.4.9 Supply chain management policy

Chapter 11 of the Municipal Finance Management Act No 50 of 2003 deals with Goods and Services. In terms of Section 111, each municipality must have and implement a Supply Chain Management policy which gives effect to provisions of this part of the Act.

In August 2005, National Treasury issued Circular 22, Supply Chain Management Model policy. This model policy has been developed to be fully compliant with MFMA.

2.4.10 Supplier performance monitoring policy

No amendments have been made on this policy.

2.4.11 Contract management policy

This policy is linked to the supplier performance monitoring policy. It has been developed in terms of s 116(2) of the MFMA. The lack of proper contract management or consistent application of contract management necessitated the development of this policy.

A dedicated unit in the SCM sub directorate with the assistance of the Legal Services within Council will be the key custodians of the policy. The Project Managers and user departments will in terms of the policy be accountable for the specific project whilst it is underway and will work closely with the Contract Management unit to ensure compliance to the policy.

2.4.12 Property rates policy and by law

The Municipal Property Rates Act no 6 of 2004 provides a framework to which municipalities must comply when imposing rates on properties. S 62 of the MFMA requires that the accounting officer must ensure that the municipality has and implements a rates policy embodied in a bylaw as per s 6 of the MPRA.

In the implementation of the above property rates by law was gazetted on 21 July 2010 as provincial gazette no 1841. As required by law annually the policy needs to be reviewed, the following changes are proposed:

- (a) A condition must be applied, which says that special consent use approved in terms of the applicable town planning schemes be referred to as residential property with special consent
- (b) On rates clearance application, the purchaser should be made aware of the outstanding debt and liability of the debt remaining on the property in terms of s118 of the Municipal Systems Act.
- (c) The rates policy must be aligned to the Municipal Property Rates Act.

2.4.13 Tariff policy and by law

Section 74 of the Municipal Systems Act no 32 of 2000, provides a framework on the formulation of a tariff policy. This policy together with the by law adopted in terms of s 75 are part of the budget related policies that must be reviewed annually. A tariff policy consistent with the provisions of the Act has been developed the following amendments changes are proposed;

- (a) Percentage or determination thereof of takings which council will charge be mentioned in the policy
- (b) Fees / rental charges for municipal properties to third parties be reviewed. Rental charges of properties be determined through a formal valuation process by the municipal valuer to determine market relatedness.
- (c) All new and expired rentals be charged in accordance with the determined market related values
- (d) Investigation on special tariffs for schools, churches, charities and other qualifying non-profit organisations

2.4.14 Asset management policy

The safeguarding and maintenance of assets, valuation in accordance with GRAP, maintaining a system of internal control and keeping an asset register are key elements of the Asset Management Framework. In order to ensure above is done in a consistent and legally compliant manner, a policy directive needs to be adopted.

The municipality has recently completed an exercise where the asset base of the municipality was properly quantified and a GRAP compliant asset register completed. An asset management policy is therefore critical as it will ensure that all relevant stakeholders and role players understand their roles and responsibilities.

2.4.15 Insurance policy

The main objective of the insurance policy is to:

- (a) Create awareness to all employees of the risks associated with all insurable interests
- (b) Ensure reasonable steps are taken to mitigate and minimise all risks
- (c) Identify all potential risks and enforce risk control measures
- (d) Minimise losses by ensuring proper management control housekeeping and maintenance of assets

The policy must be read in conjunction with the Asset Management policy.

All the policies discussed above have been approved by Council on the 05th of June 2014. The following policies will be gazetted into by laws for effective enforcement on 01 July 2014;

- (a) Credit control and debt collection Policy and by-law
- (b) Property rates policy and by-law
- (c) Tariff policy and by- laws

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

2.5.1 External factors

Unemployment remains very high and escalating according to the latest unemployment statistics released by Statistics South Africa.

The consequence of slow economic growth and deterioration of the labour market (increase in unemployment rate) will be felt by the municipalities in terms of expectation on revenue growth and cash flows. And therefore a conservative approach will need to be adopted when projections are made for expected revenues cash receipts in the next medium-term.

The consumer price inflation is expected to stay within the 3 to 6 per cent inflation target band over the forecast period. The forecasted headline inflation for medium-term will be as follows;

Description	2012 Actual	2013 Actual	2014 Estimate	2015 Forecast	2016 Forecast
Inflation Outlook	5.6%	5.7%	6.2%	5.9%	5.5%

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2014/15 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments. As part of the compilation of the 2014/15 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

2.5.4 Collection rate for revenue services

The payment level trend for the past three years, including current financial year until to date is as follows;

Description	Actual 2010/11	Actual 2011/12	Actual 2012/13	Estimate 2013/14	Estimate 2014/15	Forecast 2015/16	Forecast 2016/17
Payment Levels	97%	90%	93%	91%	91%	92%	93%

2.5.5 Growth or decline in tax base of the municipality

Despite the global economy weaknesses and projected to be likely to remain so for at least a few more year, the South African economic growth outlook in 2014 to 2017 is expected to be as follows;

Headline inflation forecast over the medium-term

Description	2012 Actual	2013 Actual	2014 Estimate	2015 Forecast	2016 Forecast
Real GDP	2.5%	1.8%	2.7%	3.2%	3.5%

The municipality has revised a revenue enhancement strategy to respond to the challenges encountered by the municipality in revenue generation and collection. The strategy seeks to ensure that there is improvement in payment levels and recovery of outstanding debt. The revised strategy has been approved by the municipal council on 25 October 2011 and it is believed that through the making revenue management everyone's business in the municipality, the fundamental objectives of the strategy will be achieved.

2.5.6 Salary increases

The employees' remuneration cost will be R483 million in 2014/2015 financial year due to an increase of R34 million (7.6 per cent) and the expenditure to the total operating revenue budget, excluding conditional grants is 25 per cent. The employees remuneration cost will increase to R566 million in 2016/2017 financial year and the expenditure to the total operating budget will be 26 per cent.

2.5.7 Micro or internal environment perspective

Furthermore from macro environment perspective, and the unfavourable economic conditions more of our people are unemployed which result in shrinking of the current revenue base putting pressure on the current municipal revenue and cashflow over the medium-term over the slow economic growth trends reflect that a convergence of unfavourable global and domestic circumstances of which impact negatively on all spheres of government. The revenue base of the municipality is under pressure as no new revenues are derived at the moment due to the slow economic growth and local circumstances.

As a consequence of the distress economy, the municipality was advised by National Treasury to adopt a conservative approach when projecting the revenue and cashflow for the medium term due to unfavorable and unstable economic conditions and rising inflationary pressures, and the slow growth pace on global and national economy.

On the expenditure side - careful analysis and evaluation of the current spending patterns need to be conducted so that the allocation of funds in the next medium-term is in line with the key municipal priorities and non-priority spending is eliminated (austerity measures need to be implemented).

2.5.8 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial

and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- (a) Creating jobs;
- (b) Enhancing education and skill development;
- (c) Improving Health services;
- (d) Rural development and agriculture; and
- (e) Fighting crime and corruption.

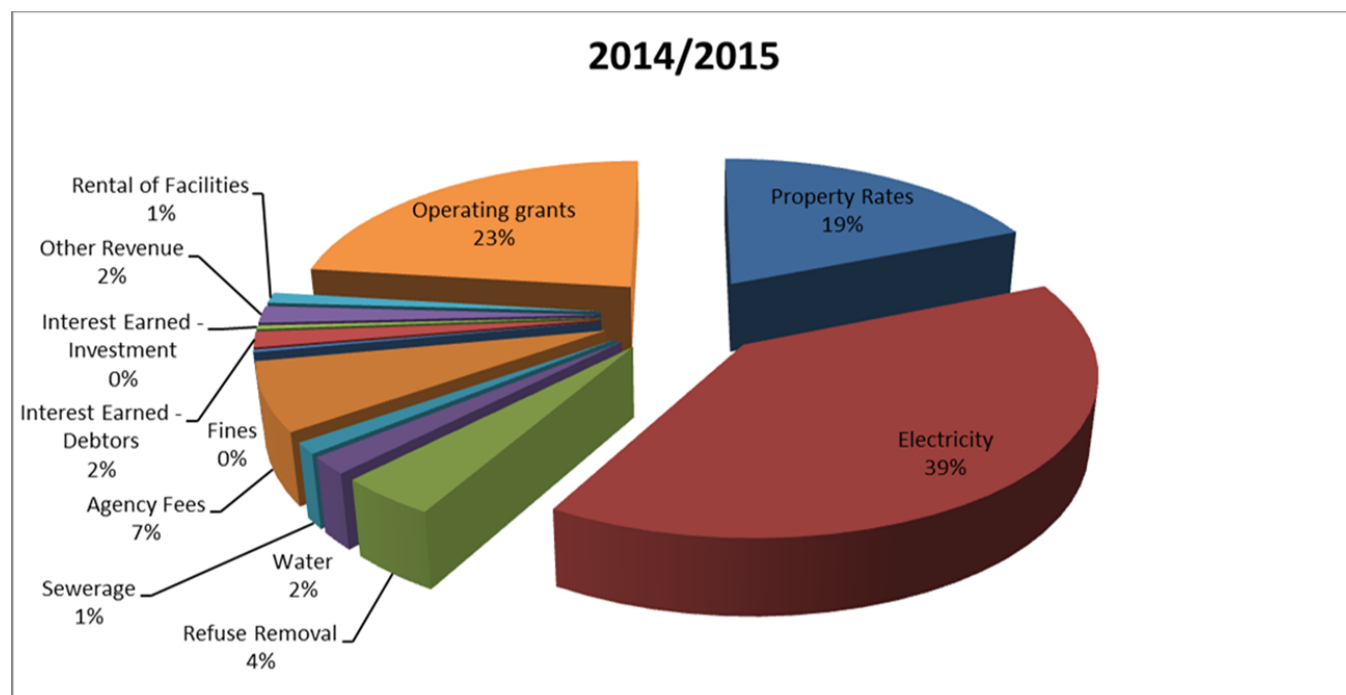
To achieve this national priority, municipalities are urged to when drafting 2014/2015 budgets to continue explore opportunities to promote labour intensive approaches to delivering services, and more particularly to participate fully in the EPWP. However, municipalities should not carelessly employ more people without any reference and consideration to the level of staffing required delivering effective services. Municipalities should focus on maximizing its contribution to job creation by;

- Ensuring that service delivery and capital project use labour intensive methods wherever appropriate.
- Ensuring that service providers use labour intensive approaches.
- Supporting labour intensive Local Economic Development projects.
- Participating fully in the Expanded Public Works Programmes/National youth service plan.
- Implementing interns programmes to provide young people with on-the-job training.

2.6 OVERVIEW OF BUDGET FUNDING

2.6.1 Medium-term outlook: operating revenue

The following graph is a breakdown of the operational revenue per revenue source for the 2014/15 financial year.



Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, wage agreements with unions (Labour), input costs of services provided by the municipality, local economic conditions and the affordability of services taking into consideration the municipality's indigent policy were taken into consideration.

The percentage increases of both Eskom and SembCorp (Silulumanzi) Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

The revenue strategy is a function of key components such as:

- (a) Growth in the city and economic development;
- (b) Revenue management and enhancement;
- (c) Achievement of a 91% annual collection rate on revenue from rates and services charge;
- (d) National Treasury guidelines;
- (e) Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- (f) Achievement of full cost recovery of specific user charges;
- (g) Determining tariff escalation rate by establishing/calculating revenue requirements;
- (h) The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- (i) And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2014/15 MTREF on the different revenue categories are:

Description	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Proposed	2015/16 Forecast	2016/17 Forecast
Electricity	20.38%	12.0%	8.0%	8.06%	7.6%	7.6%
Water	8.0%	9.75%	8.0%	8.5%	8.4%	8.2%
Sewer	8.0%	9.75%	8.0%	8.5%	8.4%	8.2%
Refuse Removal	10.0%	10.25%	9.50%	10.0%	9.7%	9.0%
Property Rates	5.0%	6.5%	6.5%	0.0%	6.5%	6.0%
Other tariffs	10.0%	11.0%	12.0%	12.0%	12.0%	12.0%
SembCorp Water and Sewerage – Domestic users	9.74%	10.42%	9.0% - 13.5%	10.33%	CPI + 3%	CPI + 3%
SembCorp Water and Sewerage – Business users	9.74%	10.42%	9.0% - 18.0%	10.33%	CPI +3%	CPI + 3%

2.6.3 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

2.6.4 Funding Compliance measures

The cash and cash equivalents as reflected on table A7 indicates that the municipality will have positive cash balance at the end of the financial year which is an indication of the minimum requirement as required by MFMA. The forecasted cash and cash equivalents for the Medium Term period is R 310 million, R 506 million and R 728 million for each year respectively.

2.6.5 Cash and cash equivalent position

The City's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2014/15 MTREF shows 310 million, R506 million and R728 million for each respective financial year.

2.6.6 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table A8. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.7 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under financial setbacks/risk from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts municipalities improving cash position causes the ratio to move upwards one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward. For the 2014/15 MTREF the indicative outcome shows that the municipality will be able to have cash for 2.4 increasing to 5.0 in 2016/17 which is above the norm of 1 to 3.

2.6.8 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2014/15 MTREF the indicative outcome is a surplus of R321 million, R337 million and R454 million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.9 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

2.6.10 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 96 per cent, 90 per cent and 91 per cent for each of the respective financial years. Given that the assumed collection rate is based on a 91 per cent performance target, the cash flow statement has been conservatively determined.

2.6.11 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 9 per cent, 8 per cent and 8 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.12 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.13 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 8 per cent and no planned borrowings in the outer years.

2.6.14 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

2.6.15 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality policy of settling debtors' accounts within 30 days.

2.6.16 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because of a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.17 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

2.7 BUDGET SUPPORTING TABLES

MP322 Mbombela - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'									2014/15 Medium Term Revenue & Expenditure Framework		
Description	Ref	2010/11 Audited Outcome	2011/12 Audited Outcome	2012/13 Audited Outcome	Current Year 2013/14			Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	197 865	245 816	274 317	447 247	438 351	438 351	438 351	451 045	484 894	524 238
Less Revenue Foregone					133 433	133 433	133 433	133 433	126 737	134 975	143 073
Net Property Rates		197 865	245 816	274 317	313 814	304 919	304 919	304 919	324 308	349 919	381 164
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	400 935	493 156	543 808	645 869	625 001	625 001	625 001	681 348	740 564	807 047
Net Service charges - electricity revenue		400 935	493 156	543 808	645 869	625 001	625 001	625 001	681 348	740 564	807 047
Service charges - water revenue											
Total Service charges - water revenue	6	25 647	25 453	25 335	31 792	29 984	29 984	29 984	30 074	32 865	36 017
Net Service charges - water revenue		25 647	25 453	25 335	31 792	29 984	29 984	29 984	30 074	32 865	36 017
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		12 644	14 827	15 134	17 494	17 982	17 982	17 982	19 653	21 446	23 581
Less Revenue Foregone											
Net Service charges - sanitation revenue		12 644	14 827	15 134	17 494	17 982	17 982	17 982	19 653	21 446	23 581
Service charges - refuse revenue											
Total refuse removal revenue	6	45 782	52 745	59 029	66 203	65 798	65 798	65 798	69 158	76 352	84 904
Net Service charges - refuse revenue		45 782	52 745	59 029	66 203	65 798	65 798	65 798	69 158	76 352	84 904
Other Revenue by source											
Actuarial gain				63 766							
Other revenue		42 223	61 908	72 784	23 347	23 179	23 179	23 179	26 149	29 287	32 801
Donations received				1 338							
Total 'Other' Revenue	1	42 223	61 908	137 889	23 347	23 179	23 179	23 179	26 149	29 287	32 801
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	368 952	389 231	418 295	249 929	243 102	243 102	243 102	263 520	288 305	315 767
Pension and UIF Contributions					63 129	61 033	61 033	61 033	65 184	69 681	74 211
Medical Aid Contributions					21 109	20 408	20 408	20 408	21 796	23 300	24 814
Overtime					41 122	39 756	39 756	39 756	42 460	45 390	48 340
Motor Vehicle Allowance					21 965	21 236	21 236	21 236	22 680	24 245	25 821
Cellphone Allowance					1 982	1 916	1 916	1 916	2 047	2 188	2 330
Housing Allowances					2 550	2 466	2 466	2 466	2 633	2 815	2 998
Other benefits and allowances					30 758	41 703	41 703	41 703	44 539	47 612	50 707
Payments in lieu of leave					2 129	2 058	2 058	2 058	2 198	2 350	2 502
Long service awards					896	866	866	866	925	989	1 053
Post-retirement benefit obligations	4				14 974	14 477	14 477	14 477	15 462	16 528	17 603
sub-total	5	368 952	389 231	418 295	450 543	449 022	449 022	449 022	483 443	523 403	566 145
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	368 952	389 231	418 295	450 543	449 022	449 022	449 022	483 443	523 403	566 145
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		280 247	291 288	241 288	282 004	228 668	228 668	228 668	234 411	246 132	258 438
Lease amortisation		3 191									
Total Depreciation & asset impairment	1	283 437	291 288	241 288	282 004	228 668	228 668	228 668	234 411	246 132	258 438
Bulk purchases											
Electricity Bulk Purchases		293 804	369 832	419 534	395 874	402 874	402 874	402 874	440 290	475 769	514 132
Water Bulk Purchases		6 524			6 869	6 349	6 349	6 349	5 906	6 390	6 888
Total bulk purchases	1	300 328	369 832	419 534	402 743	409 223	409 223	409 223	446 195	482 159	521 021
Transfers and grants											
Cash transfers and grants		271	271	282	25 601	21 162	21 162	21 162	138 363	148 855	159 548
Total transfers and grants	1	271	271	282	25 601	21 162	21 162	21 162	138 363	148 855	159 548
Contracted services											
List services provided by contract			168 686	179 244							
Stadium management		30 343			10 980	10 980	10 980	10 980	10 813	11 438	12 098
Water Tankering		9 987			23 953	23 953	23 953	23 953	-	-	-
Water Services Provider - Water Board		14 267			22 192	25 192	25 192	25 192	-	-	-
Information Technology (IT) Services		23 438			12 435	9 435	9 435	9 435	9 981	10 558	11 167
Meter reading services		45 692			2 892	3 195	3 195	3 195	3 174	3 358	3 552
Solid Waste Services		10 905			14 177	14 177	14 177	14 177	15 095	16 027	16 953
Security Services		1 803			18 095	26 095	26 095	26 095	27 784	29 500	31 203
Other Services		26 010			95 135	106 031	106 031	106 031	63 277	66 760	70 615
Special IDP Projects		11 408			90 976	62 846	62 846	62 846	88 079	95 290	88 936
sub-total	1	173 854	168 686	179 244	290 835	281 904	281 904	281 904	218 204	232 930	234 524
Total contracted services		173 854	168 686	179 244	290 835	281 904	281 904	281 904	218 204	232 930	234 524
Other Expenditure By Type											
Collection costs		1 525	3 920	3 078	3 587	3 337	3 337	3 337	3 600	3 873	4 151
Audit fees					3 765	4 065	4 065	4 065	4 573	4 954	5 310
General expenses	3	271 507	336 311	367 399					-	-	-
Licences fees - computer software					3 047	2 747	2 747	2 747	2 964	3 188	3 417
Telephone					5 098	4 798	4 798	4 798	4 388	4 754	5 095
SALGA Membership fees					4 519	4 436	4 436	4 436	4 786	5 149	5 519
Internal Audit - Outsource					1 690	2 390	2 390	2 390	2 578	2 774	2 973
Insurance					6 317	6 467	6 467	6 467	6 799	7 366	7 895
Insurance - WCA					2 467	2 467	2 467	2 467	2 382	2 581	2 766
Conditional Grants (MFG, MSIG etc.)					2 440	2 457	2 457	2 457	2 567	2 781	2 981
Bank Charges					1 667	2 391	2 391	2 391	2 417	2 619	2 807
Skills Development Levy					3 638	3 881	3 881	3 881	4 187	4 504	4 828
Training					3 054	3 354	3 354	3 354	3 778	4 094	4 388
Provincial Motor Vehicle Licence Fees					48 600	40 600	40 600	40 600	64 802	70 206	75 249
Water and Sewerage - Concession Area					5 140	5 140	5 140	5 140	9 908	10 734	11 505
Electricity - Eskom					25 508	26 262	26 262	26 262	-	-	-
IDP Projects					34 113	26 950	26 950	26 950	39 473	37 190	48 142
Other Expenditure					66 560	38 232	38 232	38 232	14 985	16 372	17 548
Total 'Other' Expenditure	1	273 032	340 231	370 477	221 209	179 975	179 975	179 975	174 187	183 139	204 575
Repairs and maintenance											
by Expenditure Item	8										
Other Expenditure		132 297	133 564	153 645	111 194	111 194	111 194	111 194	119 283	128 641	139 777
Total Repairs and Maintenance	9	132 297	133 564	153 645	111 194	111 194	111 194	111 194	119 283	128 641	139 777

MP322 Mbombela - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)													
Description	Ref 1	Vote 1 - COUNCIL	Vote 2 - COUNCIL	Vote 3 - PLANNING	Vote 4 - MUNICIPAL	Vote 5 - DEPUTY MUNICIPAL	Vote 6 - FINANCIAL	Vote 7 - TRANSVE	Vote 8 - CORPORATE	Vote 9 - COMMUNITY	Vote 10 - MUNICIPAL	Vote 11 - TECHNICAL	Total
R thousand													
Revenue By Source													
Property rates		-	-	-	-	-	-	-	-	-	314 191	-	314 191
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	681 348	681 348
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	30 074	30 074
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	19 653	19 653
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	69 158	69 158
Rental of facilities and equipment		-	-	-	-	-	-	2 703	11 967	4 053	4 000	2 504	25 226
Interest earned - external investments		-	-	-	-	-	446	-	-	-	5 780	-	6 226
Interest earned - outstanding debtors		-	-	-	-	-	3 191	-	-	-	24 525	-	27 716
Fines		-	-	-	-	-	430	-	3 582	-	-	-	4 012
Licences and permits		-	-	-	-	-	5	-	44	-	-	-	50
Agency services		-	-	-	-	-	12 798	-	106 653	-	-	-	119 452
Other revenue		-	6	-	-	-	2 802	-	-	1 149	3 982	18 210	26 149
Transfers recognised - operational		-	-	-	-	-	50 912	-	-	-	346 325	-	397 237
Total Revenue (excluding capital transfers and contributions)		-	6	-	-	-	70 584	2 703	122 246	5 202	698 804	820 947	1 720 491
Expenditure By Type													
Employee related costs		2 938	4 201	225 546	5 360	3 693	3 357	12 802	2 032	25 547	47 062	145 364	477 901
Remuneration of councillors		-	27 363	-	-	-	-	-	-	-	-	-	27 363
Debt impairment		-	-	39 430	-	-	-	2 755	-	-	44 265	13 848	100 298
Depreciation & asset impairment		125	-	29 478	3	28	437	1	3	924	73	209 029	240 101
Finance charges		-	-	24 418	207	-	-	7 909	-	-	12 337	9 403	54 274
Bulk purchases		-	-	-	-	-	-	-	-	-	-	442 012	442 012
Other materials		68	132	19 875	16	3	6	22	13	148	87	22 710	43 080
Contracted services		97	71	59 191	15	-	30	6	-	12 082	5 466	252 199	329 157
Transfers and grants		-	-	22 313	-	-	-	-	-	-	-	-	22 313
Other expenditure		2 222	8 636	25 046	784	3 212	189	3 916	2 372	26 767	33 986	103 423	210 552
Total Expenditure		5 451	40 402	445 297	6 384	6 936	4 018	27 410	4 420	65 469	143 276	1 197 988	1 947 050
Surplus/(Deficit)		(5 451)	(40 396)	(445 297)	(6 384)	(6 936)	66 566	(24 708)	117 826	(60 267)	555 528	(377 041)	(226 559)
Transfers recognised - capital		-	4 300	-	-	4 281	12 676	3 191	7 252	56 325	35 995	398 498	522 517
Surplus/(Deficit) after capital transfers & contributions		(5 451)	(36 096)	(445 297)	(6 384)	(2 655)	79 242	(21 516)	125 078	(3 942)	591 523	21 457	295 959

MP322 Mbombela - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
ASSETS											
Consumer debtors											
Consumer debtors		358 441	198 431	198 999	432 509	534 655	534 655	534 655	554 668	544 675	539 487
Less: Provision for debt impairment		(286 276)	(132 236)	(134 311)	(364 746)	(440 162)	(440 162)	(440 162)	(447 222)	(445 625)	(455 362)
Total Consumer debtors	2	72 165	66 194	64 688	67 763	94 493	94 493	94 493	107 447	99 050	84 125
Debt impairment provision											
Balance at the beginning of the year					361 808	346 231	346 231	346 231	346 923	348 658	349 530
Contributions to the provision					72 308	93 932	93 932	93 932	100 298	96 967	105 832
Bad debts written off					(69 369)	–	–	–	–	–	–
Balance at end of year		–	–	–	364 746	440 162	440 162	440 162	447 222	445 625	455 362
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		6 275 943	6 557 274	6 792 339	7 256 547	7 195 354	7 195 354	7 195 354	7 723 365	8 182 941	8 639 555
Less: Accumulated depreciation		1 075 740	1 362 718	1 599 480	1 935 913	1 605 656	1 605 656	1 605 656	1 845 757	2 097 863	2 362 575
Total Property, plant and equipment (PPE)	2	5 200 203	5 194 556	5 192 859	5 320 634	5 589 698	5 589 698	5 589 698	5 877 608	6 085 078	6 276 980
LIABILITIES											
Current liabilities - Borrowing											
Current portion of long-term liabilities		13 261	15 385	14 260	12 865	20 865	20 865	20 865	17 406	19 160	21 091
Total Current liabilities - Borrowing		13 261	15 385	14 260	12 865	20 865	20 865	20 865	17 406	19 160	21 091
Trade and other payables											
Trade and other creditors		355 912	426 556	476 130	144 033	186 413	186 413	186 413	175 614	209 484	283 062
Unspent conditional transfers		128 929	104 132	138 521	48 019	132 437	132 437	132 437	51 123	46 370	53 840
VAT				5 909		–	–	–	–	–	–
Total Trade and other payables	2	484 841	530 688	620 559	192 052	318 850	318 850	318 850	226 738	255 854	336 902
Non current liabilities - Borrowing											
Borrowing	4	175 572	202 892	189 428	368 889	299 823	299 823	299 823	363 887	345 992	324 993
Finance leases (including PPP asset element)		139 220	154 158	109 907		–	–	–	–	–	–
Total Non current liabilities - Borrowing		314 793	357 050	299 335	368 889	299 823	299 823	299 823	363 887	345 992	324 993
Provisions - non-current											
<i>List other major provision items</i>											
Refuse landfill site rehabilitation		10 112	81 136	77 623	161 231	78 002	78 002	78 002	81 902	85 997	90 297
Other		4 910	30 626	34 457	29 067	29 067	29 067	29 067	30 520	32 046	33 649
Total Provisions - non-current		15 022	111 762	112 080	190 298	107 069	107 069	107 069	112 422	118 043	123 945
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		5 113 325	4 991 350	4 741 008	5 097 000	5 187 979	5 187 979	5 187 979	5 635 913	5 995 107	6 206 586
Restated balance		5 113 325	4 991 350	4 741 008	5 097 000	5 187 979	5 187 979	5 187 979	5 635 913	5 995 107	6 206 586
Surplus/(Deficit)		(212 152)	(250 342)	(90 825)	156 648	317 178	317 178	317 178	320 932	336 502	453 589
Accumulated Surplus/(Deficit)	1	4 901 174	4 741 008	4 650 183	5 253 648	5 505 156	5 505 156	5 505 156	5 956 845	6 331 609	6 660 175
TOTAL COMMUNITY WEALTH/EQUITY	2	4 901 174	4 741 008	4 650 183	5 253 648	5 505 156	5 505 156	5 505 156	5 956 845	6 331 609	6 660 175

MP322 Mbombela - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
To initiate a strong and sustainable Local/Regional Economic Development Potential and sustainable Environmental Management	Economic Development			8 521	40 198	41 002	49 493	51 967	51 967	55 605	58 941	63 657
To strengthen the Delivery of Basic Services and ensure sustained Integrated Human Settlement supported by Infrastructure Development	Infrastructure & sustainable services			626 506	658 183	671 346	1 044 711	1 085 015	1 085 015	1 160 966	1 230 624	1 329 074
						-		-	-	-	-	-
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development			116 710	148 387	151 354	84 514	88 739	88 739	94 951	100 648	108 700
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation			8 288	39 965	40 764	45 168	47 426	47 426	50 746	53 791	58 094
						-		-	-	-	-	-
To ensure legally sound Financial viability and Management	Financial management & viability			489 512	535 980	773 689	782 382	821 502	821 502	873 197	930 367	1 071 205
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	1 249 537	1 422 713	1 678 156	2 006 268	2 094 650	2 094 650	2 235 465	2 374 371	2 630 729

MP322 Mbombela - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
To initiate a strong and sustainable Local/Regional Economic Development Potential and sustainable Environmental Management	Economic Development			60 957	102 693	104 747	45 507	45 598	45 598	49 246	53 186	57 972
To strengthen the Delivery of Basic Services and ensure sustained Intergrated Human Settlement supported by Infrastructure Development	Infrastrucure & sustainable services			849 521	891 257	909 082	1 046 198	1 048 291	1 048 291	1 109 165	1 202 189	1 318 979
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development			276 346	318 082	324 443	372 629	373 374	373 374	403 244	435 504	474 699
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation			30 312	72 047	73 488	106 148	106 361	106 361	114 869	124 059	135 224
To ensure legally sound Financial viability and Management	Financial management & viability			415 707	288 976	357 220	279 137	203 848	203 848	241 929	227 322	195 184
Allocations to other priorities												
Total Expenditure			1	1 632 844	1 673 055	1 768 981	1 849 620	1 777 472	1 777 472	1 918 454	2 042 260	2 182 058

MP322 Mbombela - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
To initiate a strong and sustainable Local/Regional Economic Development Potential and sustainable	Economic Development	A		16 316	16 316	16 349	6 192	6 192	6 192	3 737	8 109	9 893
To strengthen the Delivery of Basic Services and ensure sustained Integrated	Infrastructure & sustainable services	C		234 592	141 795	142 079	477 010	509 341	509 341	444 620	364 807	455 499
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development	E		35 592	35 592	35 663	67 278	56 824	56 824	45 603	48 865	35 600
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation	G		1 245	1 245	1 247	13 450	21 105	21 105	14 548	13 925	17 758
To ensure legally sound Financial viability and Management	Financial management & viability	I				41 394	10 701	10 701	10 701	11 958	19 624	28 366
To Maintain and Sustain the 2010 legacy projects	2010 legacy projects	J					1 289	1 289	1 289	2 052	3 250	7 000
Allocations to other priorities			3									
Total Capital Expenditure			1	301 246	194 948	236 732	575 919	605 452	605 452	522 517	458 580	554 115

MP322 Mbombela - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<u>Borrowing Management</u>											
Credit Rating		A2 za	A2 za	A2 za	A2 za	A2 za	A2 za	A2 za			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.5%	2.6%	4.4%	2.9%	3.2%	3.2%	3.2%	3.6%	3.5%	3.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.5%	4.5%	6.9%	4.2%	4.6%	4.6%	4.6%	5.1%	4.9%	4.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	81.9%	28.2%	18.4%	66.5%	75.0%	36.0%	36.0%	76.6%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.3	0.4	0.2	1.5	0.8	0.8	0.8	1.7	2.1	2.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.3	0.4	0.2	1.5	0.8	0.8	0.8	1.7	2.1	2.2
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.1	0.0	1.1	0.5	0.5	0.5	1.1	1.7	1.9
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		174.3%	90.9%	85.7%	98.9%	96.2%	96.2%	96.2%	96.7%	96.6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		174.2%	91.0%	85.7%	92.6%	92.8%	92.8%	92.8%	90.2%	91.1%	91.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	10.4%	11.9%	8.1%	5.2%	6.7%	6.7%	6.7%	7.2%	6.1%	4.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	90.0%	90.0%	90.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Creditors to Cash and Investments		2256.4%	1191.8%	2434.4%	65.0%	102.7%	156.3%	156.3%	56.6%	41.4%	38.9%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	61193899									
	Total Cost of Losses (Rand '000)	48 343	31 000	39 665							
Water Distribution Losses (2)	Total Volume Losses (kℓ)	618									
	Total Cost of Losses (Rand '000)	5332196.64	2000000	2731865							
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.7%	29.2%	27.7%	28.0%	27.2%	27.2%	27.2%	28.0%	27.3%	27.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	34.2%	29.4%	29.1%	29.9%	50.7%	50.7%		50.1%	29.3%	28.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	11.7%	10.0%	10.2%	6.9%	6.7%	6.7%		6.9%	6.7%	6.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	28.3%	25.1%	19.2%	20.1%	16.4%	16.4%	16.4%	16.6%	15.6%	14.7%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	36.3	17.4	29.1	34.1	34.1	34.1	24.3	23.5	23.0	25.2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for	16.5%	18.8%	13.1%	7.6%	10.3%	10.3%	10.3%	10.9%	9.4%	7.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.2	0.4	0.2	1.9	1.6	1.0	1.0	2.4	3.7	5.0

MP322 Mbombela - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population				527	527	589	589	589	589	589	589	589
Females aged 5 - 14				-	-	-	-	-	87	87	87	87
Males aged 5 - 14				-	-	-	-	-	89	89	89	89
Females aged 15 - 34				-	-	-	-	-	187	187	187	187
Males aged 15 - 34				-	-	-	-	-	201	201	201	201
Unemployment				-	64	64	64	64	64	64	64	64
Monthly household	1, 12											
No income				-	21 006	21 006	21 006	21 006	21 006	21 006	21 006	21 006
R1 - R1 600				-	50 210	50 210	50 210	50 210	50 210	50 210	50 210	50 210
R1 601 - R3 200				-	33 354	33 354	33 354	33 354	33 354	33 354	33 354	33 354
R3 201 - R6 400				-	21 498	21 498	21 498	21 498	21 498	21 498	21 498	21 498
R6 401 - R12 800				-	14 105	14 105	14 105	14 105	14 105	14 105	14 105	14 105
R12 801 - R25 600				-	11 066	11 066	11 066	11 066	11 066	11 066	11 066	11 066
R25 601 - R51 200				-	7 170	7 170	7 170	7 170	7 170	7 170	7 170	7 170
R52 201 - R102 400				-	2 293	2 293	2 293	2 293	2 293	2 293	2 293	2 293
R102 401 - R204 800				-	592	592	592	592	592	592	592	592
R204 801 - R409 600				-	473	473	473	473	473	473	473	473
R409 601 - R819 200				-	4	4	4	4	4	4	4	4
> R819 200				-	-	-	-	-	-	-	-	-
Poverty profiles (no. of												
< R2 060 per	13									71216.00	71216.00	71216.00
Household/demograph												
Number of people in				476 593	527 203	527	589	589	589	589	601	613
Number of poor people				-	297 760	-	-	-	-	260	263	268
Number of households				112 226	112 226	-	-	-	-	162	164	166
Number of poor				-	-	-	-	-	-	71	72	73
Definition of poor				2 040	2 040	-	-	-	-	2 520	2 520	2 520
Housing statistics	3											
Formal				-	-	-	-	-	-	149 966	149 966	149 966
Informal				-	-	-	-	-	-	10 553	10 553	10 553
Total number of				-	-	-	-	-	-	160 519	160 519	160 519
Economic	6											
Inflation/inflation outlook							5.6%	5.6%	5.6%	5.4%	5.6%	5.4%
Interest rate - borrowing										11.4%	11.4%	10.0%
Interest rate - Remuneration										5.2%	5.2%	5.3%
Consumption growth									6.8%	7.0%	6.5%	5.9%
Consumption growth									13.5%	9.0%	9.0%	9.0%
Consumption growth									6.0%	5.5%	5.1%	4.9%
Collection rates	7											
Property tax/service						85.0%	97.0%	90.0%	93.0%	91.0%	92.0%	93.0%
Rental of facilities &						85.0%	97.0%	90.0%	93.0%	91.0%	92.0%	93.0%
Interest - external						85.0%	97.0%	90.0%	93.0%	91.0%	92.0%	93.0%
Interest - debtors						85.0%	97.0%	90.0%	93.0%	91.0%	92.0%	93.0%
Revenue from agency						85.0%	97.0%	90.0%	93.0%	91.0%	92.0%	93.0%

MP322 Mbombela Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	15 773	35 792	19 558	221 680	181 426	119 276	119 276	310 163	506 494	728 424
Cash + investments at the yr end less applications - R'000	18(1)b	2	(242 445)	(336 448)	(476 506)	147 661	5 628	5 628	5 628	219 255	377 133	501 226
Cash year end/monthly employee/supplier payments	18(1)b	3	0.2	0.4	0.2	1.9	1.6	1.0	1.0	2.4	3.7	5.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(212 152)	(250 342)	(90 825)	156 648	317 178	317 178	317 178	320 932	336 502	453 589
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	15.8%	4.3%	11.2%	(8.9%)	(6.0%)	(6.0%)	1.7%	2.6%	3.1%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	174.2%	91.0%	85.7%	92.6%	92.8%	92.8%	92.8%	90.2%	91.1%	91.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	1.3%	5.8%	7.5%	6.9%	8.8%	8.8%	8.8%	8.9%	7.9%	7.9%
Capital payments % of capital expenditure	18(1)c,19	8	102.3%	99.2%	100.0%	99.4%	98.3%	98.3%	98.3%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	3.1%	(0.7%)	(3.6%)	65.8%	72.9%	35.0%	35.0%	74.3%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	35.7%	(23.1%)	(32.2%)	32.2%	0.0%	0.0%	13.9%	(6.4%)	(12.5%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.5%	2.6%	3.0%	2.1%	2.0%	2.0%	2.1%	2.0%	2.2%	2.2%
Asset renewal % of capital budget	20(1)(vi)	14	22.5%	22.5%	31.1%	47.4%	65.0%	65.0%	0.0%	60.4%	51.2%	50.6%
Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a			21.8%	10.3%	17.2%	(2.9%)	0.0%	0.0%	7.7%	8.6%	9.1%
% incr Property Tax	18(1)a			24.2%	11.6%	14.4%	(2.8%)	0.0%	0.0%	6.4%	7.9%	8.9%
% incr Service charges - electricity revenue	18(1)a			23.0%	10.3%	18.8%	(3.2%)	0.0%	0.0%	9.0%	8.7%	9.0%
% incr Service charges - water revenue	18(1)a			(0.8%)	(0.5%)	25.5%	(5.7%)	0.0%	0.0%	0.3%	9.3%	9.6%
% incr Service charges - sanitation revenue	18(1)a			17.3%	2.1%	15.6%	2.8%	0.0%	0.0%	9.3%	9.1%	10.0%
% incr Service charges - refuse revenue	18(1)a			15.2%	11.9%	12.2%	(0.6%)	0.0%	0.0%	5.1%	10.4%	11.2%
% incr in Service charges - other	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		709 369	848 428	935 842	1 097 695	1 062 216	1 062 216	1 062 216	1 143 390	1 242 257	1 356 359
Service charges			682 873	831 997	917 624	1 075 172	1 043 683	1 043 683	1 043 683	1 124 541	1 221 146	1 332 714
Property rates			197 865	245 816	274 317	313 814	304 919	304 919	304 919	324 308	349 919	381 164
Service charges - electricity revenue			400 935	493 156	543 808	645 869	625 001	625 001	625 001	681 348	740 564	807 047
Service charges - water revenue			25 647	25 453	25 335	31 792	29 984	29 984	29 984	30 074	32 865	36 017
Service charges - sanitation revenue			12 644	14 827	15 134	17 494	17 982	17 982	17 982	19 653	21 446	23 581
Service charges - refuse removal			45 782	52 745	59 029	66 203	65 798	65 798	65 798	69 158	76 352	84 904
Service charges - other			—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment			26 496	16 431	18 218	22 523	18 532	18 532	18 532	18 849	21 111	23 645
Capital expenditure excluding capital grant funding			172 569	104 613	72 944	243 106	163 996	163 996	163 996	103 845	84 064	112 463
Cash receipts from ratepayers	18(1)a		1 383 218	871 465	965 852	1 162 545	1 134 064	1 134 064	1 134 064	1 191 844	1 312 187	1 437 477
Ratepayer & Other revenue	18(1)a		793 965	958 059	1 127 393	1 255 847	1 221 785	1 221 785	1 221 785	1 320 768	1 440 921	1 578 862
Change in consumer debtors (current and non-current)			24 762	41 905	(36 819)	(39 413)	(12 683)	(12 683)	(12 683)	41 975	(8 046)	(14 566)
Operating and Capital Grant Revenue	18(1)a		442 716	464 654	550 448	741 141	862 358	862 358	862 358	908 471	926 478	1 044 058
Capital expenditure - total	20(1)(vi)		301 246	194 948	236 732	575 919	605 452	605 452	605 452	522 517	458 580	554 115
Capital expenditure - renewal	20(1)(vi)		67 866	43 869	73 709	272 766	393 787	393 787	393 787	315 781	234 912	280 314
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY										397 237	462 775	505 656
DoRA capital grants total MFY										511 234	463 703	538 402
Total gazetted/advised national, provincial and district grants										908 471	926 478	1 044 058
DoRA operating												
Equitable Share										388 663	460 158	502 938
Municipal Sylems Improvement Grant (MSIG)										934	967	1 018
Financial Management Grant (FMG)										1 600	1 650	1 700
Expanded Public Works Programme										6 040	—	—
										397 237	462 775	505 656
DoRA capital												
Municipal Infrastructure Grant (MIG)										286 043	302 750	317 114
Neighbourhood Development Partnership Grant										5 000	10 736	11 288
Public Transport Infrastructure and Systems Grant										195 191	120 217	170 000
Water Services OP Grant & INEP										25 000	30 000	40 000
										511 234	463 703	538 402
Trend												
Change in consumer debtors (current and non-current)			24 762	41 905	(36 819)	(12 683)	41 975	(8 046)	(14 566)	—	—	—
Total Operating Revenue												
Total Operating Revenue			1 127 503	1 333 202	1 509 879	1 611 452	1 649 752	1 649 752	1 649 752	1 728 151	1 915 059	2 097 245
Total Operating Expenditure			1 461 688	1 673 055	1 768 981	1 849 620	1 777 472	1 777 472	1 777 472	1 918 454	2 042 260	2 182 058
Operating Performance Surplus/(Deficit)			(334 185)	(339 853)	(259 103)	(238 168)	(127 720)	(127 720)	(127 720)	(190 302)	(127 201)	(84 813)
Cash and Cash Equivalents (30 June 2012)												
Revenue										310 163		
% Increase in Total Operating Revenue				18.2%	13.3%	6.7%	2.4%	0.0%	0.0%	4.8%	10.8%	9.5%
% Increase in Property Rates Revenue				24.2%	11.6%	14.4%	(2.8%)	0.0%	0.0%	6.4%	7.9%	8.9%
% Increase in Electricity Revenue				23.0%	10.3%	18.8%	(3.2%)	0.0%	0.0%	9.0%	8.7%	9.0%
% Increase in Property Rates & Services Charges				21.8%	10.3%	17.2%	(2.9%)	0.0%	0.0%	7.7%	8.6%	9.1%
Expenditure												
% Increase in Total Operating Expenditure				14.5%	5.7%	4.6%	(3.9%)	0.0%	0.0%	7.9%	6.5%	6.8%
% Increase in Employee Costs				5.5%	7.5%	7.7%	(0.3%)	0.0%	0.0%	7.7%	8.3%	8.2%
% Increase in Electricity Bulk Purchases				25.9%	13.4%	(5.6%)	1.8%	0.0%	0.0%	9.3%	8.1%	8.1%
R&M % of PPE			2.5%	2.6%	3.0%	2.1%	2.0%	2.0%	2.0%	2.0%	2.1%	2.2%
Asset Renewal and R&M as a % of PPE			4.0%	3.0%	4.0%	7.0%	9.0%	9.0%	9.0%	7.0%	6.0%	6.0%
Debt Impairment % of Total Billable Revenue			1.3%	5.8%	7.5%	6.9%	8.8%	8.8%	8.8%	8.9%	7.9%	7.9%
Capital Revenue												
Internally Funded & Other (R'000)			102 429	71 483	44 448	138 056	75 198	75 198	75 198	63 189	84 064	112 463
Borrowing (R'000)			70 140	33 130	28 497	105 050	88 798	88 798	88 798	40 656		
Grant Funding and Other (R'000)			128 676	90 336	163 788	332 813	441 456	441 456	441 456	418 672	374 516	441 652
Internally Generated funds % of Non Grant Funding			59.4%	68.3%	60.9%	56.8%	45.9%	45.9%	45.9%	60.8%	100.0%	100.0%
Borrowing % of Non Grant Funding			40.6%	31.7%	39.1%	43.2%	54.1%	54.1%	54.1%	39.2%	0.0%	0.0%
Grant Funding % of Total Funding			42.7%	46.3%	69.2%	57.8%	72.9%	72.9%	72.9%	80.1%	81.7%	79.7%
Capital Expenditure												
Total Capital Programme (R'000)			299 529	204 321	236 732	575 919	605 452	605 452	605 452	522 517	458 580	554 115
Asset Renewal			67 866	43 869	73 709	272 766	393 787	393 787	393 787	315 781	234 912	280 314
Asset Renewal % of Total Capital Expenditure			22.5%	22.5%	31.1%	47.4%	65.0%	65.0%	65.0%	60.4%	51.2%	50.6%
Cash												
Cash Receipts % of Rate Payer & Other			174.2%	91.0%	85.7%	92.6%	92.8%	92.8%	92.8%	90.2%	91.1%	91.0%
Borrowing												
Credit Rating (2009/10)										A2 za		
Capital Charges to Operating			2.5%	2.6%	4.4%	2.9%	3.2%	3.2%	3.2%	3.6%	3.5%	3.2%
Borrowing Receipts % of Capital Expenditure			3.1%	(0.7%)	(3.6%)	65.8%	72.9%	35.0%	35.0%	74.3%	0.0%	0.0%
Reserves												
Surplus/(Deficit)			(242 445)	(336 448)	(476 506)	147 661	5 628	5 628	5 628	219 255	377 133	501 226
Free Services												
Free Basic Services as a % of Equitable Share (excl operational transfers)			11.2%	10.0%	16.3%	35.4%	32.6%	30.1%		35.6%	32.3%	31.7%
			14.9%	12.6%	13.6%	32.8%	33.7%	33.7%		32.5%	32.1%	31.5%
High Level Outcome of Funding Compliance												
Total Operating Revenue			1 127 503	1 333 202	1 509 879	1 611 452	1 649 752	1 649 752	1 649 752	1 728 151	1 915 059	2 097 245
Total Operating Expenditure			1 461 688	1 673 055	1 768 981	1 849 620	1 777 472	1 777 472				

MP322 Mbombela - Supporting Table SA11 Property rates summary										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Valuation:	1									
No. of properties	5		62 405	63 000	63 300	63 300	63 300	63 300	63 300	63 300
No. of sectional title values	5		4 422	4 672	4 805	4 805	4 805	4 805	4 805	4 805
No. of unreasonably difficult properties s7(2)			108							
No. of supplementary valuations			2	1	1	1	1	1	1	1
No. of valuation roll amendments			–	701	–	–	–	–	–	–
No. of objections by rate payers			–	66	–	–	–	–	–	–
No. of appeals by rate payers			–	4	–	–	–	–	–	–
Supplementary valuation			2	1	1	1	1	1	1	1
Public service infrastructure value (Rm)	5		28	43	43	43	43	43	43	43
Municipality owned property value (Rm)			3 150	2 240	3 161	3 161	3 161	3 161	3 161	3 161
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)			8	11						
Valuation reductions-nature reserves/park (Rm)			–	6	6	6	6	6	6	6
Valuation reductions-mineral rights (Rm)			–	–	358	358	358	358	358	358
Valuation reductions-R15,000 threshold (Rm)			622	670	669	669	669	669	669	669
Valuation reductions-public worship (Rm)			293	328	358	358	358	358	358	358
Valuation reductions-other (Rm)			2 740	2 250						
Total valuation reductions:		–	3 664	3 264	1 391	1 391	1 391	1 391	1 391	1 391
Total value used for rating (Rm)	5		33 726	36 685	37 012	37 012	37 012	37 012	37 012	37 012
Total market value (Rm)	5		33 726	36 685	37 012	37 012	37 012	37 012	37 012	37 012
Rating:										
Residential rate used to determine rate for other categories? (Y/N)			Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	5		Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)			No	No	No			No		
Special rating area used? (Y/N)			No	No	No			No		
Phasing-in properties s21 (number)				4739						
Rates policy accompanying budget? (Y/N)			Yes	Yes	Yes			Yes		
Rate revenue:										
Rate revenue budget (R '000)	6	197 865	245 816	274 317	313 814	304 919	304 919	314 191	340 864	371 352
Rate revenue expected to collect (R'000)	6	197 865	245 816	274 317	285 571	277 476	277 476	285 914	313 594	345 358
Expected cash collection rate (%)		97.0%	90.0%	93.0%	91.0%	91.0%	91.0%	91.0%	92.0%	93.0%

MP322 Mbombela - Supporting Table SA12a Property rates by category (current year)																
Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum'ts	Public benefit organs.
Current Year 2013/14																
Valuation:																
No. of properties		52 340	–	2 291	3 833	83	1 780	342	1 706	651	125		96	3	–	98
No. of sectional title property values		4 355	–	499	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		1	–	1	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)		163 289 000	–	186 675 000	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments		261	–	57	–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation (select)		5		5	5	5	5	5	5	5	5	5	5	5	5	5
Frequency of valuation (select)		5		5	5	5	5	5	5	5	5	5	5	5	5	5
Method of valuation used (select)		Market		Market	Market	Dep.Replace	Dep.Replace	Dep.Replace	Market	Other	Dep.Replace		Market	Dep.Replace		
Base of valuation (select)		Land & impr.		Land & impr.	Other	Land & impr.	Land & impr.	Other	Land only	Other	Land & impr.		Land & impr.	Land & impr.		
Phasing-in properties s21 (number)		0		0	0	0	0	0	0	0	0		0	0		
Combination of rating types used? (Y/N)		No		No	No	No	No	No	No	No	No		No	No		
Flat rate used? (Y/N)		No		No	No	No	No	No	No	No	No		No	No		
Is balance rated by uniform rate/variable rate?		Uniform		Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform		Uniform	Uniform		
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)		–		–	–	–	–	11	–	–	–		–	–	–	–
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–	–		–	6	–	–
Valuation reductions-R15,000 threshold (Rm)		670	–	–	–	–	–	–	–	–	–		–	–	–	–
Valuation reductions-public worship (Rm)		–	–	–	–	–	–	–	–	–	328		–	–	–	–
Valuation reductions-other (Rm)	2	2 267	–	–	–	–	2 240		–	–	–		121	–	–	–
Total valuation reductions:																
Total value used for rating (Rm)	6	18 519	–	10 255	5 794	916	–	32	1 080	23	–		–	–		392
Total market value (Rm)	6	18 519	–	10 255	5 794	916	–	32	1 080	23	–		–	–		392

MP322 Mbombela - Supporting Table SA12b Property rates by category (budget year)											
Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Comm. Land	Public benefit organs.
Budget Year 2014/15											
Valuation:											
No. of properties		58 600		2 593	3 608	303	1 592	392	174	411	8
No. of sectional title property values		49 694		232							
Years since last valuation (select)		<1		<1	<1	<1	<1	<1	<1		1
Frequency of valuation (select)		4		4	4	4	4	4	4		4
Method of valuation used (select)		Market		Market	Market	Market	Market	Market	Market		Market
Base of valuation (select)		Land & impr.		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.		Land & impr.
Phasing-in properties s21 (number)											
Combination of rating types used? (Y/N)		Yes		Yes	Yes	Yes	Yes	Yes	Yes		Yes
Flat rate used? (Y/N)		No		No	No	No	No	No	No		No
Is balance rated by uniform rate/variable rate?											
Valuation reductions:											
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	0			
Valuation reductions-R15,000 threshold (Rm)		0	-	-	-	-	-	-			
Valuation reductions-other (Rm)	2	3,809	-	-	-	-	-	-			
Total valuation reductions:											
Total value used for rating (Rm)	6	20,896		11,287	6,312	1,871	-	0			
Total market value (Rm)	6	25,584					0	0	351	159	0

MP322 Mbombela - Supporting Table SA13a Service Tariffs by category									
Description	Ref	Provide description of tariff structure where appropriate	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
							Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Property rates (rate in the Rand)	1								
Residential properties		-	-	-	0.52	0.5538	0.5538	0.5901	0.6255
Residential properties - vacant land		-	-	-	2	2.13	2.13	1.1381	1.2063
Formal/informal settlements		-	-	-	0.52	0.5538	0.5538	0.5901	0.6255
Small holdings		-	-	-	0.52	0.5538	0.5538	0.5901	0.6255
Farm properties - used		-	-	-	0.18	0.1917	0.1917	0.2108	0.2234
Farm properties - not used		-	-	-	0.18	0.1917	0.1917	0.2108	0.2234
Industrial properties		-	-	-	1.3	1.3845	1.3845	1.5173	1.6083
Business and commercial properties		-	-	-	1.3	1.3845	1.3845	1.5173	1.6083
State-owned properties		-	-	-	2.2	2.343	2.343	2.5288	2.6806
Municipal properties		-	-	-	-	-	-	-	-
Public service infrastructure		-	-	-	0.18	0.1917	0.1917	0.2108	0.2234
Privately owned towns serviced by the owner		-	-	-	0.52	0.5538	0.5538	0.5901	0.6255
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate					30	30	30	30	30
Indigent rebate or exemption					100	100	100	100	100
Pensioners/social grants rebate or exemption					100	100	100	100	100
Bona fide farmers rebate or exemption					45	45	45	45	45
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/fixd fee (Rands/month)					57	61	66	72	78
Service point - vacant land (Rands/month)					57	61	66	72	78
Water usage - Block 1 (c/kl)		(fill in	6		-	-	-	-	-
Water usage - Block 2 (c/kl)		(fill in	30		1 098	1 186	1 287	1 395	1 509
Water usage - Block 3 (c/kl)		(fill in	100		978	1 056	1 146	1 242	1 344
Water usage - Block 4 (c/kl)		(fill in	+ 100		906	1 000	1 085	1 176	1 273
Waste water tariffs									
Domestic									
Basic charge/fixd fee (Rands/month)					85	92	100	109	117
Volumetric charge - Block 1 (c/kl)		(fill in	6		-	-	-	-	-
Volumetric charge - Block 2 (c/kl)		(fill in	3		1 005	1 085	1 177	1 276	1 381
Volumetric charge - Block 3 (c/kl)		(fill in	40		873	943	1 023	1 109	1 200
Electricity tariffs									
Domestic									
Service point - vacant land (Rands/month)					120	140	155	167	179
FBE		(how is this			50	50	50	54	58
Meter - IB I Block 1 (c/kwh)		(fill in	50		70	74	80	86	92
Meter - IB I Block 2 (c/kwh)		(fill in	300		83	88	96	103	111
Meter - IB I Block 3 (c/kwh)		(fill in	600		107	114	124	133	143
Meter - IB I Block 4 (c/kwh)		(fill in	+600		123	132	142	153	165
Prepaid - IB I Block 1 (c/kwh)		(fill in	50		70	74	80	86	92
Prepaid - IB I Block 2 (c/kwh)		(fill in	300		83	88	96	103	111
Prepaid - IB I Block 3 (c/kwh)		(fill in	600		107	114	124	133	143
Prepaid - IB I Block 4 (c/kwh)		(fill in	+600		123	132	142	153	165
Waste management tariffs									
Domestic									
80l bin - once a week					78	86	94	104	113
250l bin - once a week					118	129	142	156	170

MP322 Mbombela - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
<u>Parent municipality</u>										
Deposits - Bank		22 597	13 633	13 696	41 165	41 165	41 165	38 737	40 674	42 708
Municipality sub-total	1	22 597	13 633	13 696	41 165	41 165	41 165	38 737	40 674	42 708
Consolidated total:		22 597	13 633	13 696	41 165	41 165	41 165	38 737	40 674	42 708

MP322 Mbombela - Supporting Table SA16 Investment particulars by maturity								
Investments by Maturity	Ref	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance	
Name of institution & investment ID	1							
<u>Parent municipality</u>								
NEDCOR		30 September 2016	13 696	664	-	-	14 361	
ABSA			11 015	1 030	(13 000)	25 332	24 377	
Municipality sub-total			24 711		(13 000)	25 332	38 737	
TOTAL INVESTMENTS AND INTEREST	1		24 711		(13 000)	25 332	38 737	

MP322 Mbombela - Supporting Table SA17 Borrowing										
Borrowing - Categorised by type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<u>Parent municipality</u>										
Long-Term Loans (annuity/reducing balance)		314 793	357 050	299 335	368 889	299 823	299 823	363 887	345 992	324 993
Municipality sub-total	1	314 793	357 050	299 335	368 889	299 823	299 823	363 887	345 992	324 993
Total Borrowing	1	314 793	357 050	299 335	368 889	299 823	299 823	363 887	345 992	324 993

MP322 Mbombela - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		277 471	306 481	352 061	346 325	372 089	397 853	397 237	462 775	505 656
Local Government Equitable Share		247 675	279 162	312 298	342 190	372 082	401 974	388 663	460 158	502 938
Municipal Systems Improvement		791	1 119	1 500	1 550	1 600	1 650	1 600	1 650	1 700
Finance Management		1 188	1 516	800	890	980	1 070	934	967	1 018
Water Services Operating Subsidy		15 207	14 650	3 009	-	(3 009)	(6 018)	-	-	-
Integrated National Electrification Programme		11 408	3 061		-		-	-	-	-
EPWP Incentive		1 202	4 515	2 954	1 695	436	(823)	6 040	-	-
Other trans/grants [2010 Host City, MIG,PTIS, DRG]			2 458	31 500	-	-	-	-	-	-
Provincial Government:		-	-	1 000	-	-	-	-	-	-
Housing				1 000						
Total Operating Transfers and Grants	5	277 471	306 481	353 061	346 325	372 089	397 853	397 237	462 775	505 656
<u>Capital Transfers and Grants</u>										
National Government:		264 547	200 031	298 265	394 766	(3 440)	391 326	511 234	463 703	538 402
Municipal Infrastructure Grant (MIG)		127 087	155 031	188 062	241 164	-	241 164	286 043	302 750	317 114
Public Transport and Systems		105 000	45 000	98 703	123 762		123 762	195 191	120 217	170 000
Regional Bulk Infrastructure		20 960	-	6 500	16 840	-	16 840	15 000	10 000	15 000
Neighbourhood Development Partnership		3 500	-	-	-	1 560	1 560	5 000	10 736	11 288
Other capital transfers/grants [EDSM, INEP,DRG,EPWP]		8 000	-	5 000	13 000	(5 000)	8 000	10 000	20 000	25 000
Provincial Government:		6 372	-	-	-	-	-	-	-	-
Other capital transfers/grants [MP housing,Library]		6 372								
Other grant providers:		9 020	18	16	-	-	-	-	-	-
[National Lottery]		9 020	18	16						
Total Capital Transfers and Grants	5	279 939	200 049	298 281	394 766	(3 440)	391 326	511 234	463 703	538 402
TOTAL RECEIPTS OF TRANSFERS & GRANTS		557 410	506 530	651 342	741 091	368 649	789 179	908 471	926 478	1 044 058

MP322 Mbombela - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		313 006	375 143	381 171	346 325	346 325	346 325	397 237	462 775	505 656
Local Government Equitable Share		247 675	279 162	312 298	342 190	342 190	342 190	388 663	460 158	502 938
Municipal Systems Improvement		1 188	1 516	1 561	1 550	1 550	1 550	1 600	1 650	1 700
Finance Management		791	1 119	1 041	890	890	890	934	967	1 018
Water Services Operating Subsidy		15 207	14 650	3 009	–	–	–	–	–	–
Integrated National Electrification Programme		11 408	8 191		–	–	–	–	–	–
EPWP Incentive		1 202	4 515	2 130	1 695	1 695	1 695	6 040	–	–
Other trans/grants [2010 Host City, MIG,PTIS, DRG]		35 535	65 990	61 132	–	–	–			
Provincial Government:		1 323	–	1 000	–	–	–	–	–	–
Housing		1 323		1 000						
Total operating expenditure of Transfers and Grants:		314 329	375 143	382 171	346 325	346 325	346 325	397 237	462 775	505 656
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		119 477	89 372	167 844	394 766	378 326	391 326	511 234	463 703	538 402
Municipal Infrastructure Grant (MIG)		71 921	81 610	106 073	241 164	241 164	241 164	286 043	302 750	317 114
Public Transport and Systems		4 444		43 604	123 762	123 762	123 762	195 191	120 217	170 000
Regional Bulk Infrastructure		28 303	3 521	7 557	16 840	16 840	16 840	15 000	10 000	15 000
Neighbourhood Development Partnership		6 064	4 240	910	–	1 560	1 560	5 000	10 736	11 288
Other capital transfers/grants [EDSM, INEP,DRG,EPWP]		8 744	–	9 700	13 000	(5 000)	8 000	10 000	20 000	25 000
Provincial Government:		2 556	6	–	–	–	–	–	–	–
Other capital transfers/grants [MP housing,Library]		2 556	6							
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	134	433	–	–	–	–	–	–
[National Lottery]			134	433						
Total capital expenditure of Transfers and Grants		122 033	89 511	168 277	394 766	378 326	391 326	511 234	463 703	538 402
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		436 362	464 654	550 448	741 091	724 651	737 651	908 471	926 478	1 044 058

MP322 Mbombela - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		19 601	10 346	318						
Current year receipts		250 645	328 660	349 107	346 325	417 460	417 460	397 237	462 775	505 656
Conditions met - transferred to revenue		265 030	334 988	348 099	346 325	417 460	417 460	397 237	462 775	505 656
Conditions still to be met - transferred to liabilities		5 216	4 018	1 326						
Provincial Government:										
Balance unspent at beginning of the year		622	32	27						
Current year receipts		1	0	0						
Conditions met - transferred to revenue		590	6	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		32	27	27						
Total operating transfers and grants revenue		265 621	334 994	348 099	346 325	417 460	417 460	397 237	462 775	505 656
Total operating transfers and grants - CTBM	2	5 248	4 045	1 354	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		108 641	108 400	91 293						
Current year receipts		264 547	155 031	298 265	332 813	441 456	441 456	418 672	374 516	441 652
Conditions met - transferred to revenue		241 345	118 729	262 009	332 813	441 456	441 456	418 672	374 516	441 652
Conditions still to be met - transferred to liabilities		131 843	144 702	127 548						
Provincial Government:										
Balance unspent at beginning of the year		7 636								
Current year receipts		6 372								
Conditions met - transferred to revenue		3 786	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		10 222		-						
District Municipality:										
Balance unspent at beginning of the year		1 131	10 151	10 036						
Current year receipts		9 020	18	16						
Conditions met - transferred to revenue		10 151	10 170	10 052	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Conditions met - transferred to revenue		(10 151)	(10 036)	(9 619)	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		10 151	10 036	9 619						
Total capital transfers and grants revenue		245 131	118 863	262 443	332 813	441 456	441 456	418 672	374 516	441 652
Total capital transfers and grants - CTBM	2	152 216	154 738	137 167	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		510 752	453 856	610 542	679 138	858 915	858 915	815 909	837 291	947 308
TOTAL TRANSFERS AND GRANTS - CTBM		157 464	158 783	138 521	-	-	-	-	-	-

MP322 Mbombela - Supporting Table SA21 Transfers and grants made by the municipality											
Description	Re	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Transfers to other Organs of State											
<i>Grants and subsidies paid</i>	3	271	271	282	25 601	21 162	21 162	21 162	138 363	148 855	159 548
Total Cash Transfers To Other Organs Of State:		271	271	282	25 601	21 162	21 162	21 162	138 363	148 855	159 548
TOTAL CASH TRANSFERS AND GRANTS	6	271	271	282	25 601	21 162	21 162	21 162	138 363	148 855	159 548
TOTAL TRANSFERS AND GRANTS	6	271	271	282	25 601	21 162	21 162	21 162	138 363	148 855	159 548

MP322 Mbombela - Supporting Table SA22 Summary councillor and staff benefits											
Summary of Employee and Councillor remuneration	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
	1	A	B	C	D	E	F	G	H	I	
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages		10 391	11 822	12 768	13 647	16 069	16 069	16 986	17 922	18 791	
Pension and UIF Contributions		1 488	1 696	1 832	2 116	2 505	2 505	2 309	2 459	2 619	
Medical Aid Contributions		326	372	402	258	434	434	514	548	583	
Motor Vehicle Allowance		3 834	4 370	4 720	4 906	5 879	5 879	6 347	6 760	7 199	
Cellphone Allowance		913	1 041	1 204	1 155	1 305	1 305	1 709	1 820	1 939	
Other benefits and allowances		–	–	–	–	90	90	46	49	52	
Sub Total - Councillors		16 952	19 302	20 925	22 082	26 282	26 282	27 911	29 558	31 184	
% increase	4		13.9%	8.4%	5.5%	19.0%	–	6.2%	5.9%	5.5%	
Senior Managers of the Municipality	2										
Basic Salaries and Wages		3 213	3 406	3 655	5 049	5 622	5 622	6 939	7 390	7 870	
Pension and UIF Contributions		714	757	812	1 141	1 168	1 168	1 416	1 508	1 606	
Medical Aid Contributions		157	167	179	182	134	134	142	151	161	
Performance Bonus		–	–	–	545	–	–	400	426	454	
Motor Vehicle Allowance	3	599	635	682	1 297	1 136	1 136	1 342	1 430	1 523	
Cellphone Allowance	3	78	82	88	236	162	162	180	192	204	
Housing Allowances	3		–	–	–	–	–	–	–	–	
Other benefits and allowances	3	178	189	203	–	57	57	61	65	69	
Sub Total - Senior Managers of Municipality		4 939	5 235	5 618	8 450	8 279	8 279	10 480	11 161	11 887	
% increase	4		6.0%	7.3%	50.4%	(2.0%)	–	26.6%	6.5%	6.5%	
Other Municipal Staff											
Basic Salaries and Wages		221 537	216 857	250 629	268 773	257 000	257 000	253 710	269 903	281 847	
Pension and UIF Contributions		44 081	46 726	50 137	62 061	59 869	59 869	70 335	78 652	87 952	
Medical Aid Contributions		13 614	14 431	15 484	22 187	20 276	20 276	23 820	26 637	29 787	
Overtime		32 542	34 494	37 012	23 491	39 824	39 824	46 785	52 317	58 504	
Performance Bonus		–	–	–	–	268 773	257 000	257 000	–	–	
Motor Vehicle Allowance	3	15 167	16 077	17 250	22 178	62 061	59 869	59 869	26 366	29 484	
Cellphone Allowance	3	823	872	936	2 265	22 187	20 276	20 276	2 306	2 579	
Housing Allowances	3	2 478	2 626	2 818	3 538	23 491	39 824	39 824	3 239	3 622	
Other benefits and allowances	3	2 929	3 104	3 331	29 441	30 312	30 312	35 611	39 822	44 531	
Payments in lieu of leave		2 944	3 121	3 349	4 360	2 077	2 077	2 440	2 728	3 051	
Long service awards		844	895	960	627	896	896	986	1 084	1 193	
Post-retirement benefit obligations	6	27 054	28 677	30 771	11 622	14 477	14 477	15 925	17 517	19 269	
Sub Total - Other Municipal Staff		364 012	367 881	412 677	450 543	801 243	801 701	826 580	520 572	561 818	
% increase	4		1.1%	12.2%	9.2%	77.8%	0.1%	3.1%	(37.0%)	7.9%	
Total Parent Municipality		385 903	392 418	439 220	481 075	835 804	836 261	864 971	561 291	604 889	
			1.7%	11.9%	9.5%	73.7%	0.1%	3.4%	(35.1%)	7.8%	
TOTAL SALARY, ALLOWANCES & BENEFITS		385 903	392 418	439 220	481 075	835 804	836 261	864 971	561 291	604 889	
% increase	4		1.7%	11.9%	9.5%	73.7%	0.1%	3.4%	(35.1%)	7.8%	
TOTAL MANAGERS AND STAFF	5,7	368 951	373 116	418 295	458 993	809 522	809 979	837 060	531 733	573 705	

MP322 Mbombela - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)						
Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Total Package
Rand per annum				1.		2.
Councillors	3					
Speaker	4	1	401 286	93 347	189 345	683 978
Chief Whip		1	378 591	85 126	179 040	642 758
Executive Mayor		1	503 499	114 791	230 565	848 855
Deputy Executive Mayor		–	–	–	–	–
Executive Committee		9	3 510 583	662 875	1 611 364	5 784 822
Total for all other councillors		67	9 657 326	1 695 058	5 397 531	16 749 914
Total Councillors	8	79	14 451 286	2 651 196	7 607 846	24 710 328
Senior Managers of the Municipality	5					
Municipal Manager (MM)			891 843	215 903	303 120	1 410 866
Chief Finance Officer			–	–	–	–
<i>List of each official with packages >= senior manager</i>						
Chief Operations Officer		1	950 900	173 023	183 347	1 307 270
General Manager - Community Services		1	806 696	212 478	184 095	1 203 269
General Manager - Technical Services		1	742 444	150 350	208 725	1 101 519
General Manager - Local Economic Development, Human Settlement, Urban and Rural Development		1	710 431	170 058	174 804	1 055 293
General Manager - Planning, Performance Monitoring and Evaluation, Communications and Information Technology		1	896 442	181 149	24 000	1 101 592
General Manager - Corporate Services		1	623 526	199 133	276 463	1 099 121
						–
Total Senior Managers of the Municipality	8,10	6	5 622 282	1 302 094	1 354 554	8 278 930
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	85	20 073 568	3 953 290	8 962 399	32 989 258

MP322 Mbombela - Supporting Table SA24 Summary of personnel numbers					
Summary of Personnel Numbers	Ref				
Number	1,2	Permanent employees	Contract employees	Permanent employees	Contract employees
Municipal employees	5				
Municipal Manager and Senior Managers	3		6		6
Other Managers	7	69		69	
Professionals		55	–	55	–
Other		55		55	
Technicians		99	–	99	–
Finance		23		23	
Electricity		18		18	
Refuse		31		31	
Other		27		27	
Clerks (Clerical and administrative)		300		300	
Service and sales workers		230		230	
Plant and Machine Operators		166		169	
Elementary Occupations		736		736	
TOTAL PERSONNEL NUMBERS	9	1 655	6	1 658	6
% increase		–	–	0.2%	–

MP322 Mbombela - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source																
Property rates		25 307	23 057	23 338	23 057	23 057	22 776	23 057	23 620	24 182	24 182	24 463	64 212	324 308	349 919	381 164
Service charges - electricity revenue		50 860	46 339	46 904	46 339	46 339	45 774	46 339	47 469	48 599	48 599	49 164	158 624	681 348	740 564	807 047
Service charges - water revenue		2 599	2 368	2 397	2 368	2 368	2 339	2 368	2 426	2 483	2 483	2 512	3 365	30 074	32 865	36 017
Service charges - sanitation revenue		1 542	1 405	1 422	1 405	1 405	1 388	1 405	1 439	1 474	1 474	1 491	3 803	19 653	21 446	23 581
Service charges - refuse revenue		5 203	4 741	4 798	4 741	4 741	4 683	4 741	4 856	4 972	4 972	5 030	15 681	69 158	76 352	84 904
Rental of facilities and equipment		192	218	197	275	10 997	298	298	527	2 978	481	275	2 113	18 849	21 111	23 645
Interest earned - external investments		3	-	-	1 204	3	-	903	1 075	-	-	575	2 462	6 226	6 973	7 810
Interest earned - outstanding debtors		1 632	1 504	1 430	990	1 339	1 119	2 567	2 292	1 779	1 852	1 302	9 909	27 716	31 042	34 767
Fines		228	348	180	191	206	273	195	243	131	318	187	1 512	4 012	4 493	5 032
Licences and permits		8	8	6	9	1	2	7	9	4	6	1	(11)	50	56	62
Agency services		-	-	-	-	24 935	-	20 260	7 558	7 325	4 987	10 441	43 946	119 452	133 786	149 840
Transfers recognised - operational		102 594	-	-	3 527	-	80 152	3 847	3 847	70 534	-	-	132 736	397 237	462 775	505 656
Other revenue		1 965	1 139	1 634	3 882	3 070	1 238	1 629	2 824	1 268	1 931	1 916	3 654	26 149	29 287	32 801
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	3 920	3 920	4 390	4 917
Total Revenue (excluding capital transfers)		192 133	81 126	82 306	87 987	118 460	160 040	107 615	98 186	165 728	91 285	97 358	445 925	1 728 151	1 915 059	2 097 245
Expenditure By Type																
Employee related costs		29 767	33 218	34 512	33 218	34 512	36 238	37 532	40 120	40 120	36 238	40 552	87 418	483 443	523 403	566 145
Remuneration of councillors		1 508	1 508	1 569	1 569	1 549	1 569	2 112	1 649	1 629	1 669	1 629	9 765	27 724	29 360	30 974
Debt impairment		6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	34 744	101 209	97 692	106 617
Depreciation & asset impairment		24 262	14 262	24 262	24 262	14 262	24 262	24 262	24 262	14 262	24 262	14 262	7 525	234 411	246 132	258 438
Finance charges		84	2 614	422	84	548	10 964	2 867	2 910	2 994	1 265	590	26 339	51 682	51 968	49 889
Bulk purchases		26 917	61 526	49 990	23 841	28 071	3 461	24 610	22 688	28 071	32 685	27 302	117 033	446 195	482 159	521 021
Other materials		1 282	1 611	1 203	1 794	1 827	1 926	1 334	1 301	1 616	2 466	2 005	24 668	43 035	46 624	50 326
Contracted services		2 158	3 471	3 379	4 027	3 488	4 927	7 733	9 891	9 782	12 768	11 689	144 890	218 204	232 930	234 524
Transfers and grants		2 133	2 133	2 133	2 133	2 133	2 133	2 133	1 133	2 133	2 133	2 133	115 895	138 363	148 855	159 548
Other expenditure		2 577	4 144	7 913	6 748	6 103	7 821	19 233	31 809	23 618	15 245	53 956	(4 980)	174 187	183 139	204 575
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		96 732	130 530	131 424	103 719	98 536	99 343	127 859	141 806	130 269	134 774	160 162	563 298	1 918 454	2 042 260	2 182 058
Surplus/(Deficit)		95 402	(49 404)	(49 118)	(15 732)	19 924	60 698	(20 244)	(43 621)	35 459	(43 489)	(62 804)	(117 373)	(190 302)	(127 201)	(84 813)
Transfers recognised - capital													511 234	511 234	463 703	538 402
Surplus/(Deficit) after capital transfers & contributions		95 402	(49 404)	(49 118)	(15 732)	19 924	60 698	(20 244)	(43 621)	35 459	(43 489)	(62 804)	393 861	320 932	336 502	453 589
Surplus/(Deficit)	1	95 402	(49 404)	(49 118)	(15 732)	19 924	60 698	(20 244)	(43 621)	35 459	(43 489)	(62 804)	393 861	320 932	336 502	453 589

MP322 Mbombela - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)																
Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote																
Vote 6 - FINANCIAL SERVICES		195 431	28 849	139 594	42 809	31 641	176 819	37 225	32 572	39 594	33 502	32 107	18 949	809 091	887 800	971 859
Vote 8 - CORPORATE SERVICES			251	35	58	65	78	58	95	85	94	102	723	1 645	1 809	1 981
Vote 9 - COMMUNITY SERVICES		40 506	5 460	5 812	8 101	5 988	33 462	7 045	6 164	26 417	6 340	6 076	62 060	213 430	234 773	257 076
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		1 243	168	178	249	184	1 027	216	189	811	195	187	1 411	6 057	6 663	7 296
Vote 11 - TECHNICAL SERVICES		143 592	19 354	120 602	28 718	21 227	118 619	24 973	21 851	93 647	222 475	321 539	68 646	1 205 243	1 243 327	1 392 518
Total Revenue by Vote		380 772	54 081	266 221	79 935	59 105	330 005	69 516	60 871	160 553	262 606	360 010	151 789	2 235 465	2 374 371	2 630 729
Expenditure by Vote to be appropriated																
Vote 1 - COUNCIL		1 300	1 377	2 515	2 653	2 661	1 684	2 546	2 538	1 845	876	469	16 007	36 470	38 804	41 365
Vote 2 - COUNCIL SUPPORT		388	487	1 666	1 845	1 855	1 884	1 706	1 696	1 093	1 745	1 606	9 702	25 673	27 316	29 118
Vote 3 - PLANNING, PERFORMANCE & MONITORING		603	757	1 035	1 313	2 329	1 375	1 097	2 081	1 699	2 159	2 942	28 897	46 287	49 249	52 500
Vote 4 - MUNICIPAL MANAGER		685	860	1 176	2 492	1 510	1 562	1 246	2 229	2 931	1 317	3 071	10 444	29 524	31 413	33 486
Vote 5 - DEPUTY MUNICIPAL MANAGER		603	757	1 035	1 313	2 329	1 375	1 097	1 081	1 699	1 159	1 942	(4 089)	10 301	10 960	11 684
Vote 6 - FINANCIAL SERVICES		38	47	65	82	83	86	168	67	106	172	59	156 640	157 613	167 700	178 768
Vote 7 - TRANSVERSAL		598	870	981	924	835	768	972	761	196	816	863	239	8 823	9 388	10 008
Vote 8 - CORPORATE SERVICES		438	447	465	482	583	586	568	767	506	272	229	82 502	87 844	93 466	99 635
Vote 9 - COMMUNITY SERVICES		2 533	3 685	4 731	3 915	5 961	4 099	3 270	4 224	5 066	4 454	4 809	502 730	549 477	584 644	623 231
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		1 681	1 536	1 930	13 507	3 901	5 084	7 988	7 594	3 362	9 565	4 046	1 312	61 509	65 446	69 765
Vote 11 - TECHNICAL SERVICES		49 024	71 307	72 198	75 764	76 655	79 329	63 285	62 394	98 047	166 850	84 372	5 707	904 932	963 874	1 032 498
Total Expenditure by Vote		57 888	82 130	87 796	104 290	98 701	97 832	83 944	85 433	116 552	189 386	104 409	810 092	1 918 454	2 042 260	2 182 058
Surplus/(Deficit) before assoc.		322 884	(28 049)	178 425	(24 355)	(39 596)	232 172	(14 427)	(24 562)	44 001	73 221	255 601	(658 303)	317 012	332 111	448 671
Surplus/(Deficit)	1	322 884	(28 049)	178 425	(24 355)	(39 596)	232 172	(14 427)	(24 562)	44 001	73 221	255 601	(658 303)	317 012	332 111	448 671

MP322 Mbombela - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (standard classification)																
Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard																
<i>Governance and administration</i>		195 522	28 938	139 677	42 891	31 724	176 900	37 307	32 656	139 680	33 589	32 196	393 936	1 285 017	1 340 053	1 500 853
Executive and council		–	6	–	–	–	–	–	–	–	–	–	7 338	7 344	8 145	8 918
Budget and treasury office		195 431	28 849	139 594	42 809	31 641	176 819	37 225	32 572	139 594	33 502	32 107	(81 772)	808 370	896 483	981 648
Corporate services		91	83	84	83	83	81	83	85	87	87	90	468 370	469 303	435 426	510 286
<i>Community and public safety</i>		2 218	3 226	3 266	3 027	3 468	2 989	2 863	2 823	4 036	3 024	2 460	(19 074)	14 325	15 758	17 255
Community and social services		938	1 365	1 382	1 450	1 467	1 518	1 211	1 194	1 877	1 279	1 041	(13 895)	828	911	997
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	9 820	9 820	10 802	11 828
Public safety		584	850	861	503	914	346	754	744	769	797	648	(4 091)	3 677	4 045	4 429
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		695	1 011	1 024	1 074	1 087	1 125	897	885	1 390	948	771	(10 908)	–	–	–
<i>Economic and environmental services</i>		6 437	8 336	8 440	8 857	8 961	9 274	7 398	9 311	11 462	7 815	8 474	39 539	134 303	145 533	159 076
Planning and development		183	267	270	283	287	297	237	233	366	250	203	3 211	6 086	6 694	7 330
Road transport		6 254	8 069	8 170	8 574	8 674	8 977	7 161	9 078	11 095	7 565	8 271	36 329	128 217	138 838	151 746
<i>Trading services</i>		45 553	50 834	52 815	50 834	52 815	55 455	57 436	61 397	59 416	55 455	62 057	197 754	801 820	873 028	953 546
Electricity		39 110	43 644	45 344	43 644	45 344	47 612	49 312	52 713	51 013	47 612	53 280	158 496	677 124	735 972	802 043
Water		2 454	2 738	2 845	2 738	2 845	2 987	3 094	3 307	3 201	2 987	3 343	3 346	35 886	39 258	43 018
Waste water management		–	–	–	–	–	–	–	–	–	–	–	19 653	19 653	21 446	23 581
Waste management		3 989	4 452	4 625	4 452	4 625	4 856	5 030	5 377	5 203	4 856	5 434	16 259	69 158	76 352	84 904
Total Revenue - Standard		249 729	91 334	204 198	105 609	96 967	244 618	105 004	106 187	214 594	99 883	105 187	612 156	2 235 465	2 374 371	2 630 729
			136 615	251 194	150 987	144 065	294 044	155 764	160 327	267 849	149 024	159 711				
Expenditure - Standard																
<i>Governance and administration</i>		18 048	22 397	20 514	15 699	16 815	21 476	15 945	18 387	16 750	17 230	15 930	271 630	470 821	500 954	534 017
Executive and council		3 597	4 796	5 196	2 398	2 798	4 037	2 558	2 358	2 918	3 397	2 838	102 091	138 981	147 875	157 635
Budget and treasury office		8 052	9 069	6 075	9 034	9 040	10 258	8 837	11 834	8 642	8 642	7 049	7 866	104 397	111 078	118 409
Corporate services		6 399	8 533	9 244	4 266	4 977	7 182	4 551	4 195	5 191	5 191	6 044	161 672	227 444	242 000	257 972
<i>Community and public safety</i>		13 133	17 577	17 425	9 289	11 337	15 686	10 108	11 084	12 751	11 751	12 909	111 503	254 551	274 766	301 000
Community and social services		1 964	2 951	1 614	1 976	2 638	3 692	2 241	3 909	3 837	2 837	2 632	4 166	34 457	36 663	39 082
Sport and recreation		6 005	8 006	8 673	4 003	4 670	6 738	4 270	3 936	4 870	4 870	5 671	73 427	135 140	147 713	165 561
Public safety		4 589	6 119	6 628	3 059	3 569	5 150	3 263	3 008	3 722	3 722	4 334	31 244	78 408	83 426	88 932
Housing		576	501	510	251	459	105	334	230	322	322	272	1 533	5 412	5 758	6 139
Health													1 134	1 134	1 207	1 286
<i>Economic and environmental services</i>		36 087	47 716	51 726	23 858	27 868	40 298	25 462	23 457	59 071	39 071	33 782	(137 988)	270 409	284 817	300 524
Planning and development		1 608	2 143	2 322	1 072	1 250	1 804	1 143	1 054	1 304	1 304	1 518	24 405	40 927	43 547	46 421
Road transport		34 140	45 521	49 314	22 760	26 554	38 313	24 278	22 381	57 692	37 692	32 244	(164 838)	226 051	237 620	250 212
Environmental protection		339	52	90	26	64	181	41	22	75	75	20	2 444	3 431	3 650	3 891
<i>Trading services</i>		45 584	30 112	35 622	31 056	37 565	30 844	38 060	34 305	37 418	38 418	45 829	515 269	920 084	978 969	1 043 581
Electricity		41 508	25 344	29 956	27 672	32 284	26 581	29 517	27 211	33 667	33 667	39 202	213 221	559 827	595 656	634 970
Water		574	1 432	1 718	716	1 002	1 989	1 231	588	1 388	1 388	931	138 986	151 944	161 668	172 338
Waste water management		538	1 384	1 000	692	1 307	1 215	938	631	1 092	1 092	1 230	51 174	62 293	66 280	70 655
Waste management		2 964	1 952	2 948	1 976	2 972	1 060	6 374	5 876	1 271	2 271	4 466	111 889	146 020	155 365	165 619
<i>Other</i>		147	196	212	98	114	165	104	96	119	119	139	1 080	2 588	2 754	2 935
Total Expenditure - Standard		112 999	117 999	125 499	79 999	93 699	108 469	89 679	87 329	126 109	106 589	108 590	761 494	1 918 454	2 042 260	2 182 058
Surplus/(Deficit) before assoc.		136 730	(26 665)	78 699	25 610	3 268	136 149	15 325	18 858	88 485	(6 706)	(3 402)	(149 338)	317 012	332 111	448 671
Surplus/(Deficit)	1	136 730	(26 665)	78 699	25 610	3 268	136 149	15 325	18 858	88 485	(6 706)	(3 402)	(149 338)	317 012	332 111	448 671

MP322 Mbombela - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)																
Description	Ref	Budget Year 2014/15												Medium Term Revenue and		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<i>Multi-year expenditure to be appropriated</i>	1															
Vote 1 - COUNCIL													-	-	-	-
Vote 2 - COUNCIL SUPPORT		-	-	250	350	540	-	650	350	700	500	350	(3 690)	-	-	-
Vote 3 - PLANNING,PERFORMAMNCE & MONITORING		-	-	-	-	-	-	-	-	-	-	-	5 450	5 450	3 400	7 200
Vote 5 - DEPUTY MUNICIPAL MANAGER		-	500	-	250	200	650	800	500	350	250	500	(4 000)	-	-	-
Vote 6 - FINANCIAL SERVICES		-	250	750	950	1 650	850	950	1 500	1 650	1 200	1 850	(4 100)	7 500	14 493	22 366
Vote 7 - TRANSVERAL		-	-	350	200	500	650	500	200	350	200	-	(2 950)	-	-	-
Vote 8 - CORPORATE SERVICES		-	1 250	400	600	850	450	1 200	500	200	600	850	(4 650)	2 250	2 600	1 763
Vote 9 - COMMUNITY SERVICES		-	2 500	1 542	2 845	2 300	1 200	3 500	14 500	4 600	3 500	15 800	(15 543)	36 744	42 605	48 745
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		-	950	2 500	2 890	2 600	1 250	2 300	3 500	2 400	2 500	1 800	(17 453)	5 237	10 609	13 893
Vote 11 - TECHNICAL SERVICES		5 200	6 750	32 500	23 500	12 850	46 500	37 520	38 450	41 251	37 542	45 126	(137 950)	189 239	383 454	439 599
Capital multi-year expenditure sub-total	2	5 200	12 200	38 292	31 585	21 490	51 550	47 420	59 500	51 501	46 292	66 276	(184 886)	246 420	457 160	533 565
<i>Single-year expenditure to be appropriated</i>																
Vote 6 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	1 600	1 600	-	-
Vote 8 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	100	100	-	-
Vote 9 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-	-	6 053	6 053	170	1 150
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-	4 105	4 105	-	-
Vote 11 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	264 239	264 239	1 250	19 399
Capital single-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	276 097	276 097	1 420	20 549
Total Capital Expenditure	2	5 200	12 200	38 292	31 585	21 490	51 550	47 420	59 500	51 501	46 292	66 276	91 211	522 517	458 580	554 115

MP322 Mbombela - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (standard classification)																
Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<i>Capital Expenditure - Standard</i>	1															
<i>Governance and administration</i>		-	1 929	1 490	2 040	2 078	1 344	1 938	2 181	683	1 811	2 316	10 698	28 509	30 942	33 631
Executive and council		-	1 250	400	600	850	450	1 200	500	200	600	850	1 680	8 580	9 049	9 393
Budget and treasury office		-	254	235	453	875	325	353	325	246	825	1 058	7 726	12 676	13 926	15 418
Corporate services		-	425	855	988	352	568	385	1 356	237	385	408	1 292	7 252	7 967	8 821
<i>Community and public safety</i>		-	1 989	666	4 724	4 257	2 972	5 157	4 454	5 290	3 770	602	3 136	37 017	29 605	20 793
Community and social services		-	1 839	666	4 474	4 057	2 722	4 807	3 954	4 940	3 520	352	2 788	34 119	26 421	17 268
Sport and recreation		-	150	-	250	200	250	350	500	350	250	250	348	2 898	3 184	3 525
<i>Economic and environmental services</i>		-	4 852	7 829	13 958	20 911	11 354	37 000	27 810	25 817	36 598	33 568	34 509	254 207	179 756	209 072
Planning and development		-	-	1 245	1 600	2 459	854	1 200	1 325	1 235	1 353	1 028	26 886	39 186	35 881	33 517
Road transport		-	4 852	6 584	12 358	18 452	10 500	35 800	26 485	24 582	35 245	32 540	7 623	215 021	143 874	175 555
<i>Trading services</i>		-	9 857	18 895	13 648	19 795	9 342	17 276	30 067	29 535	10 606	21 308	22 454	202 784	218 277	290 619
Electricity		-	2 352	3 500	4 500	3 500	2 500	5 625	4 585	6 900	4 500	2 400	5 152	45 514	43 055	35 963
Water		-	5 400	12 000	5 245	10 251	5 362	6 500	17 469	15 800	2 500	14 254	14 238	109 019	135 529	232 820
Waste water management		-	1 254	1 895	1 355	3 685	895	2 785	6 758	4 250	2 352	2 500	1 211	28 943	23 810	13 098
Waste management		-	850	1 500	2 549	2 358	584	2 365	1 254	2 585	1 254	2 155	1 853	19 308	15 883	8 738
Total Capital Expenditure - Standard	2	-	18 627	28 881	34 371	47 041	25 012	61 370	64 512	61 325	52 785	57 795	70 798	522 517	458 580	554 115
<i>Funded by:</i>																
National Government		-	-	-	-	-	-	-	-	-	-	-	418 672	418 672	374 516	441 652
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	418 672	418 672	374 516	441 652
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	3 150	3 150	3 300	3 489
Borrowing		-	-	-	-	-	-	-	-	-	-	-	40 656	40 656	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-	-	60 039	60 039	80 764	108 973
Total Capital Funding		-	-	-	-	-	-	-	-	-	-	-	522 517	522 517	458 580	554 115

MP322 Mbombela - Supporting Table SA30 Consolidated budgeted monthly cash flow															
MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand															
Cash Receipts By Source													1		
Property rates	25 307	23 057	23 338	23 057	23 057	12 776	20 057	23 620	24 182	24 182	24 463	67 095	314 191	340 864	371 352
Service charges - electricity revenue	50 860	46 339	46 904	46 339	46 339	35 774	46 339	47 469	48 599	48 599	49 164	168 624	681 348	740 564	773 996
Service charges - water revenue	2 599	2 368	2 397	2 368	2 368	1 339	2 368	2 426	2 483	2 483	2 512	4 365	30 074	32 865	36 017
Service charges - sanitation revenue	1 542	1 405	1 422	1 405	1 405	888	1 405	1 439	1 474	1 474	1 491	4 303	19 653	21 446	23 581
Service charges - refuse revenue	5 203	4 741	4 798	4 741	4 741	2 683	4 741	4 856	4 972	4 972	5 030	17 681	69 158	76 352	84 904
Rental of facilities and equipment	192	218	197	275	10 997	298	298	527	2 978	481	275	8 490	25 226	28 253	31 643
Interest earned - external investments	3	-	-	1 204	3	-	903	1 075	-	-	1 075	1 962	6 226	6 973	7 810
Interest earned - outstanding debtors	1 632	1 504	1 430	990	1 339	1 119	2 567	2 292	1 779	1 852	1 302	9 909	27 716	31 042	34 767
Fines	228	348	180	191	206	273	195	243	131	318	187	1 512	4 012	4 493	5 032
Licences and permits	8	8	6	9	1	2	7	9	74	6	1	(81)	50	56	62
Agency services	-	-	-	-	24 935	-	20 260	7 558	7 325	4 987	10 441	43 946	119 452	133 786	149 840
Transfer receipts - operational	102 594	-	-	3 527	-	80 152	3 847	3 847	70 534	-	-	132 736	397 237	462 775	505 656
Other revenue	965	139	634	882	170	238	629	824	268	931	916	5 244	11 839	11 429	32 801
Cash Receipts by Source	191 133	80 126	81 306	84 987	115 560	135 540	103 615	96 186	164 798	90 285	96 858	465 785	1 706 181	1 890 897	2 057 462
Other Cash Flows by Source															
Transfer receipts - capital	-	-	-	-	-	-	-	-	-	-	-	511 234	511 234	463 703	538 402
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	40 656	40 656	-	-
Total Cash Receipts by Source	191 133	80 126	81 306	84 987	115 560	135 540	103 615	96 186	164 798	90 285	96 858	1 017 676	2 258 072	2 354 600	2 595 864
Cash Payments by Type															
Employee related costs	29 767	33 218	34 512	33 218	34 512	36 238	37 532	40 120	40 120	36 238	40 552	82 122	478 147	520 572	561 818
Remuneration of councillors	1 508	1 508	1 569	1 569	1 549	1 569	2 112	1 649	1 629	1 669	1 629	9 952	27 911	29 558	31 184
Finance charges	84	2 614	422	84	548	10 964	2 867	2 910	2 994	1 265	590	28 931	54 274	51 968	49 889
Bulk purchases - Electricity	26 917	61 526	49 990	23 841	28 071	14 461	24 610	32 688	38 071	32 685	37 302	64 993	435 155	468 628	502 771
Bulk purchases - Water & Sewer	281	281	281	281	281	281	281	281	281	281	281	3 763	6 856	7 474	8 146
Other materials	1 282	1 611	2 203	2 794	2 827	2 926	2 334	2 301	3 616	2 466	2 005	20 506	46 873	49 925	52 242
Contracted services	2 158	13 471	25 379	24 027	33 488	24 927	17 733	29 891	29 782	22 768	41 689	63 843	329 157	345 902	365 601
Transfers and grants - other municipalities	1 903	1 903	1 903	1 903	1 903	1 903	1 903	1 903	1 903	1 903	1 903	1 903	22 831	24 562	26 326
Other expenditure	2 577	4 144	27 913	16 748	16 103	17 821	9 233	11 809	23 618	15 245	13 956	20 855	180 022	194 746	209 374
Cash Payments by Type	66 477	120 276	144 170	104 465	119 282	111 088	98 605	123 552	142 015	114 520	139 908	296 868	1 581 226	1 693 335	1 807 350
Other Cash Flows/Payments by Type															
Capital assets	-	17 227	33 768	49 605	46 004	25 065	61 779	49 503	34 375	37 508	41 076	126 608	522 517	458 580	554 115
Repayment of borrowing	1 385	1 385	1 385	1 385	1 385	1 385	1 385	1 385	1 385	1 385	1 385	2 167	17 406	19 160	21 091
Total Cash Payments by Type	67 863	138 888	179 323	155 456	166 672	137 538	161 770	174 440	177 775	153 413	182 369	425 644	2 121 149	2 171 075	2 382 556
NET INCREASE/(DECREASE) IN CASH HELD	123 271	(58 762)	(98 017)	(70 468)	(51 112)	(1 998)	(58 154)	(78 254)	(12 977)	(63 128)	(85 510)	592 032	136 923	183 525	213 308
Cash/cash equivalents at the month/year begin:	181 426	304 697	245 935	147 919	77 450	26 338	24 341	(33 814)	(112 068)	(125 045)	(188 173)	(273 683)	181 426	318 349	501 874
Cash/cash equivalents at the month/year end:	304 697	245 935	147 919	77 450	26 338	24 341	(33 814)	(112 068)	(125 045)	(188 173)	(273 683)	318 349	318 349	501 874	715 182

MP322 Mbombela - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
Tedcor (pty) LTD	Yrs		Collection of waste	2012 May 01	44 800
Semcorp Silulumanzi	Yrs		provision of portable water in concession area	2029 September 30	PPP
Bushbuckridge Water Board	Yrs		provision of portable water in Nsikanzi Area	2015 December 30	144 000

MP322 Mbombela - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		197 434	115 134	142 720	238 855	187 362	187 362	185 640	201 732	250 542
Infrastructure - Road transport		85 197	44 600	117 921	126 995	91 509	91 509	87 256	99 360	141 190
Roads, Pavements & Bridges		85 197	44 600	90 842	126 995	91 509	91 509	87 256	99 360	141 190
Storm water				27 079						
Infrastructure - Electricity		50 288	13 277	2 851	9 514	18 128	18 128	19 034	19 986	21 185
Transmission & Reticulation		50 288	13 277	2 851	9 514	18 128	18 128	19 034	19 986	21 185
Infrastructure - Water		43 192	38 500	–	89 083	64 463	64 463	65 448	67 725	73 143
Reticulation		43 192	38 500	–	89 083	64 463	64 463	65 448	67 725	73 143
Infrastructure - Sanitation		14 224	14 224	20 146	7 018	7 018	7 018	7 032	7 243	7 308
Reticulation										
Sewerage purification		14 224	14 224	20 146	7 018	7 018	7 018	7 032	7 243	7 308
Infrastructure - Other		4 533	4 533	1 802	6 245	6 245	6 245	6 870	7 420	7 716
Waste Management				151						
Other	3	4 533	4 533	1 651	6 245	6 245	6 245	6 870	7 420	7 716
Community		5 825	5 825	17 361	12 669	5 243	5 243	5 183	5 478	5 964
Parks & gardens		30	30							
Sportsfields & stadia		610	610	11 265	5 509	1 289	1 289	1 292	1 395	1 521
Community halls		1 112	1 112	3 409		3 509	3 509	3 754	3 942	4 297
Recreational facilities				2 114	350	15	15			
Security and policing		1 903	1 903	183	6 680	300	300			
Other		2 170	2 170	390	130	130	130	137	141	146
Heritage assets		1 414	1 414	367	–	–	–	–	–	–
Other	9	1 414	1 414	367						
Other assets		27 832	27 832	859	44 280	15 473	15 473	15 913	16 458	17 295
General vehicles		13 400	13 400		12 450	7 600	7 600	7 980	8 459	9 220
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment		2 207	2 207		310					
Furniture and other office equipment		3 640	3 640	195	8 089	2 169	2 169	2 212	2 256	2 301
Markets		1 373	1 373	390						
Civic Land and Buildings		490	490		11 500	1 909	1 909	1 912	1 918	1 926
Other Buildings					7 681	3 196	3 196	3 205	3 218	3 237
Other		6 722	6 722	274	4 250	600	600	604	607	610
Agricultural assets		–	–	1 716	1 600	–	–	–	–	–
List sub-class				1 716	1 600					
Intangibles		875	875	–	5 750	3 587	3 587	–	–	–
Computers - software & programming		875	875		5 750	3 587	3 587			
Total Capital Expenditure on new assets	1	233 380	151 079	163 023	303 154	211 666	211 666	206 736	223 668	273 800

MP322 Mbombela - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		64 433	40 436	68 117	225 276	351 076	351 076	291 375	208 051	248 523
Infrastructure - Road transport		53 937	29 940	37 383	99 308	158 897	158 897	100 845	12 310	70 268
Roads, Pavements & Bridges		29 940	29 940	37 383	99 308	158 897	158 897	100 845	12 309 874.01	70 268
Storm water		23 997						-	-	-
Infrastructure - Electricity		7 208	7 208	1 288	28 494	26 457	26 457	21 042	26 602	36 479
Transmission & Reticulation		7 208	7 208	1 288	26 194	26 457	26 457	21 042	26 602	36 479
Street Lighting					2 300			-	-	-
Infrastructure - Water		540	540	27 044	45 612	73 107	73 107	77 494	70 786	88 715
Reticulation		540	540	27 044	45 612	73 107	73 107	77 494	70 786	88 715
Infrastructure - Sanitation		2 748	2 748	607	16 212	64 099	64 099	69 227	75 457	27 947
Reticulation										
Sewerage purification		2 748	2 748	607	16 212	64 099	64 099	69 227	75 457	27 947
Infrastructure - Other		-	-	1 795	35 650	28 516	28 516	22 767	22 896	25 115
Waste Management					13 500	8 500	8 500	9 010	9 641	10 219
Other	3			1 795	22 150	20 016	20 016	13 757	13 255	14 896
Community		919	919	1 480	7 710	12 618	12 618	5 971	8 080	10 742
Sportsfields & stadia		134	134		2 500	2 400	2 400	1 365	1 897	2 366
Community halls		785	785	700	1 250	5 132	5 132	2 453	2 659	3 854
Recreational facilities					3 150	3 579	3 579	2 152	3 524	4 521
Security and policing				780	800	526	526			
Other					10	981	981			
Heritage assets		-	-	-	2 500	2 500	2 500	-	-	-
Other	9				2 500	2 500	2 500			
Other assets		1 363	1 363	4 112	30 829	24 392	24 392	18 436	18 781	21 050
General vehicles				439	5 150	7 811	7 811	6 524	6 842	7 821
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		271	271	142	1 020	492	492	352	525	549
Computers - hardware/equipment				422						
Furniture and other office equipment				579		489	489			
Markets				347		705	705			
Civic Land and Buildings		591	591	376	8 500	7 000	7 000	7 035	6 483	7 255
Other Buildings				995	5 659	3 044	3 044			
Other Land						542	542			
Other		501	501	813	10 500	4 309	4 309	4 525	4 932	5 425
Intangibles		1 151	1 151	-	6 450	3 200	3 200	-	-	-
Computers - software & programming		1 151	1 151		6 450	3 200	3 200			
Total Capital Expenditure on renewal of existing assets	1	67 866	43 869	73 709	272 766	393 787	393 787	315 781	234 912	280 314
Renewal of Existing Assets as % of total capex		22.5%	22.5%	31.1%	47.4%	65.0%	65.0%	60.4%	51.2%	50.6%
Renewal of Existing Assets as % of deprecn"		23.9%	15.1%	30.5%	96.7%	172.2%	172.2%	134.7%	95.4%	108.5%

MP322 Mbombela - Supporting Table SA34c Consolidated repairs and maintenance by asset class										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		107 888	108 404	117 981	74 657	74 657	74 657	79 458	85 232	92 462
Infrastructure - Road transport		48 307	48 307	36 842	51 535	51 535	51 535	54 469	57 994	62 772
<i>Roads, Pavements & Bridges</i>		34 949	34 949	27 330	39 639	39 639	39 639	41 621	44 118	47 648
<i>Storm water</i>		13 358	13 358	9 513	11 896	11 896	11 896	12 848	13 876	15 124
Infrastructure - Electricity		25 046	25 046	29 027	19 091	19 091	19 091	20 619	22 474	24 497
<i>Generation</i>		13 594	13 594	21 524	19 091	19 091	19 091	20 619	22 474	24 497
<i>Street Lighting</i>		11 452	11 452	7 503	–	–	–			
Infrastructure - Water		13 452	13 452	22 165	1 719	1 719	1 719	1 856	2 023	2 205
<i>Water purification</i>		13 452	13 452	22 165	1 719	1 719	1 719	1 856	2 023	2 205
Infrastructure - Sanitation		10 767	10 767	14 528	1 719	1 719	1 719	1 873	2 042	2 226
<i>Sewerage purification</i>		10 767	10 767	14 528	1 719	1 719	1 719	1 873	2 042	2 226
Infrastructure - Other		10 315	10 831	15 417	594	594	594	641	699	762
<i>Waste Management</i>		8 820	9 261	12 542	594	594	594	641	699	762
<i>Other</i>	3	1 495	1 570	2 875						
Community		15 022	15 773	28 076	6 794	6 794	6 794	7 405	8 072	8 798
Parks & gardens		302	317	525	5 064	5 064	5 064	5 520	6 016	6 558
Sportsfields & stadia		6 120	6 426	4 822	765	765	765	833	908	990
Swimming pools		370	389	525						
Community halls		90	94	92						
Libraries		691	726	985						
Recreational facilities		163	171	215						
Fire, safety & emergency		409	429	895						
Security and policing		2 470	2 594	12 352	965	965	965	1 052	1 147	1 250
Cemeteries		2 470	2 593	3 852						
Other		1 937	2 034	3 812						
Other assets		9 387	9 387	7 588	29 743	29 743	29 743	32 420	35 337	38 518
General vehicles					23 122	23 122	23 122	25 203	27 471	29 943
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment		4 273	4 273	2 752	959	959	959	1 045	1 139	1 241
Furniture and other office equipment		735	735	206						
Civic Land and Buildings		4 379	4 379	4 630	4 578	4 578	4 578	4 990	5 440	5 929
Other		–	–	–	1 084	1 084	1 084	1 182	1 288	1 404
Total Repairs and Maintenance Expenditure	1	132 297	133 564	153 645	111 194	111 194	111 194	119 283	128 641	139 777
<i>R&M as a % of PPE</i>		2.5%	2.6%	3.0%	2.1%	2.0%	2.0%	2.0%	2.1%	2.2%
<i>R&M as % Operating Expenditure</i>		9.1%	8.0%	8.7%	6.0%	6.3%	6.3%	6.2%	6.3%	6.4%

MP322 Mbombela - Supporting Table SA34d Consolidated Depreciation by asset class										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Depreciation by Asset Class/Sub-class										
Infrastructure		279 696	287 360	236 328	244 215	188 989	188 989	198 438	208 360	218 778
Infrastructure - Road transport		142 351	148 673	90 707	155 255	95 581	95 581	100 360	105 378	110 647
<i>Roads, Pavements & Bridges</i>		142 351	148 673	90 707	155 255	95 581	95 581	100 360	105 378	110 647
Infrastructure - Electricity		19 855	20 847	21 890	24 074	25 278	25 278	26 542	27 869	29 262
<i>Transmission & Reticulation</i>		19 855	20 847	21 890	24 074	25 278	25 278	26 542	27 869	29 262
Infrastructure - Water		16 525	17 351	18 219	38 806	40 746	40 746	42 783	44 922	47 168
<i>Reticulation</i>		16 525	17 351	18 219	38 806	40 746	40 746	42 783	44 922	47 168
Infrastructure - Sanitation		100 070	99 548	104 525	24 592	25 822	25 822	27 113	28 469	29 892
<i>Reticulation</i>		13 525	14 201	14 911	24 592	25 822	25 822	27 113	28 469	29 892
<i>Sewerage purification</i>		86 545	85 347	89 614						
Infrastructure - Other		895	940	987	1 488	1 563	1 563	1 641	1 723	1 809
<i>Waste Management</i>		895	940	987	1 488	1 563	1 563	1 641	1 723	1 809
Community		3 741	3 928	4 125	37 789	39 679	39 679	35 973	37 771	39 660
Sportsfields & stadia		3 741	3 928	4 125	26 860	28 203	28 203	23 923	25 120	26 376
Fire, safety & emergency					6 221	6 532	6 532	6 859	7 202	7 562
Other					4 708	4 943	4 943	5 190	5 450	5 723
Total Depreciation	1	283 437	291 288	240 453	282 004	228 668	228 668	234 411	246 132	258 438

MP322 Mbombela - Supporting Table SA35 Consolidated future financial implications of the capital budget				
Vote Description	Ref	2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure	1			
Vote 1 - COUNCIL		—	—	—
Vote 2 - COUNCIL SUPPORT		—	—	—
Vote 3 - PLANNING,PERFORMAMNCE & MONITORING		5 450	3 400	7 200
Vote 4 - MUNICIPAL MANAGER		—	—	—
Vote 5 - DEPUTY MUNICIPAL MANAGER		—	—	—
Vote 6 - FINANCIAL SERVICES		9 100	14 493	22 366
Vote 7 - TRANSVERAL		—	—	—
Vote 8 - CORPORATE SERVICES		2 350	2 600	1 763
Vote 9 - COMMUNITY SERVICES		42 797	42 775	49 895
Vote 10 - MUNICIPAL PLANNING & DEVELOPMENT		9 343	10 609	13 893
Vote 11 - TECHNICAL SERVICES		453 478	384 704	458 999
Total Capital Expenditure		522 517	458 580	554 115
Total future revenue		—	—	—
Net Financial Implications		522 517	458 580	554 115

MP322 Mbombela - Supporting Table SA36 Consolidated detailed capital budget									
Municipal Vote/Capital project	Ref	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	2014/15 Medium Term Revenue & Expenditure Framework			Project Information
R thousand	4		6	3	3	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location
Parent municipality:									
List all capital projects grouped by Municipal Vote									
Technical Services		Commissioning Of Hoxani Water Treatment Works Mbombela	Yes	Infrastructure - Water	Water purification	10 000	25 000	30 000	Nsikazi North Wards
Technical Services		Upgrading of Elandshoek Water Supply	Yes	Infrastructure - Water	Water purification	11 123	-	-	12
Technical Services		Clau-Clau Roads And Stormwater Drainage	Yes	Infrastructure - Water	Water purification	7 000	-	-	11
Technical Services		Construction Of Multi-Purpose Courts	Yes	Infrastructure - Other	Other	1 000	7 596	-	25
Technical Services		Construction Of Paved Roads - Mkhoni	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	8 000	-	-	23
Technical Services		Construction Of Paved Roads - Sibuyile	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	7 600	-	-	24
Technical Services		Construction Of Paved Roads - Somcuba	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	8 000	-	-	29
Technical Services		Karino Plaston Bulkwater Scheme	Yes	Infrastructure - Water	Reticulation	27 319	-	-	Nsikazi South Wards
Technical Services		Matsulu Fire Station	Yes	Infrastructure - Other	Fire, safety & emergency	5 200	-	-	renewal
Technical Services		Matsulu, Portia, Mpakani And Luphisi Household Sanitation	Yes	Other	Other	10 000	12 000	12 000	13'24'28
Technical Services		Nsikazi North Household Sanitation (Zone A)	Yes	Other	Other	14 000	12 000	12 000	3'5'6'8'25'34
Technical Services		Nsikazi South Household Sanitation (Zone B)	Yes	Other	Other	14 000	12 000	12 000	22'23'26'29
Technical Services		Eradication of bermuda roads in various areas	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	-	18 668	30 549	Various Wards
Technical Services		Phola Community Hall	Yes	Community	Community halls	4 500	-	-	renewal
Technical Services		Upgrade Of Phola Collector Road Roads And Stormwater	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	2 600	-	-	5
Technical Services		Kanyamazane Phase 3 (16, 52, 17 & 3)	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	5 032	-	-	18'19'20
Technical Services		Construction Of Tekwane North Busroute	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	18
Technical Services		Upgrading Of Matsulu Streets And Bus Routes	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	5 000	-	-	13'27'28
Technical Services		Pedestrian Crossing : Nsikazi North	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	2 000	-	7 586	25'29
Technical Services		Pedestrian Crossing : Nsikazi South	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	2 000	-	7 586	36
Technical Services		Pedestrian Crossing : Ward 2, 4 & 29	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	2 000	-	-	2'4'29
Technical Services		Upgrade Of Daantjie Cemetery Road	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	9 236	4 000	-	renewal
Technical Services		Upgrading of Kanyamazane Streets and Busroutes	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	3 339	-	-	19'29
Technical Services		Upgrading Of Phumlani Bus Route	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	11 937	-	-	14
Technical Services		Upgrade Of Matsulu Bulk Water Supply	Yes	Infrastructure - Water	Water purification	8 000	-	-	renewal
Technical Services		Construction Of An Additional 1m/Day Dwaleni Package Plant	Yes	Infrastructure - Water	Water purification	16 245	-	-	33
Technical Services		Construction Of New Community Halls	Yes	Community	Community halls	2 500	9 369	-	14
Technical Services		Tekwane North Outfall Sewer	Yes	Infrastructure - Sanitation	Sewerage purification	4 386	-	-	26
Technical Services		Zwelisha Multi Bus Route	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	6 328	-	-	4
Technical Services		Provision Of Nsikazi North Via Karino Bulk Water Supply Scheme Phase 2	Yes	Infrastructure - Water	Reticulation	15 000	45 000	90 000	Nsikazi North Wards
Technical Services		Upgrading and Refurbishment of water reticulation networks in the Nsikazi North	Yes	Infrastructure - Water	Reticulation	-	20 000	28 664	Nsikazi North Wards
Technical Services		Maggiesdal Township (IHS) - Planning, Design And Tender Documentation For Water And Sanitation Infrastructure	Yes	Other	Other	2 500	5 000	10 000	new
Technical Services		Tekwane Township (IHS) - Planning, Design And Tender Documentation For Water And Sanitation Infrastructure	Yes	Other	Other	500	5 000	-	new
Technical Services		MIG: Newscom - Upgrade Bulk and network reticulation	Yes	Infrastructure - Water	Reticulation	3 500	4 000	-	36
Technical Services		MI Grant: Nzk - Msogwaba And Pienaar (Ward 22 & 23) Water Network Extensions	Yes	Infrastructure - Water	Reticulation	3 000	10 000	-	22'23
Technical Services		Upgrade Of Matsulu Bulk Water Supply And Reticulation-For Extension 5 & 6	Yes	Infrastructure - Water	Reticulation	8 541	11 886	-	renewal
Technical Services		MIG: Zwelisha B/Multi Water Supply Phase 3	Yes	Infrastructure - Water	Reticulation	-	5 251	-	2
Technical Services		Matlaffin Sanitation structures	Yes	Infrastructure - Sanitation		8 397	-	-	14
Technical Services		Replace 18 Culverts Damaged By Floods: Planning & Design (wasaseni village)	Yes	Infrastructure - Other	Other	3 000	5 751	5 000	new
Technical Services		Internal Roads, Stormwater & Sub-Construction Of Nelspruit Public Transport Rank And Ancillary Facilities	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	2 000	5 000	-	14
Technical Services		Rocky's Drift Public Transport Facility	Yes	Infrastructure - Road transport	Transportation	29 000	-	-	renewal
Technical Services		Proposal For Testing, Evaluation And Design Of PTP Priority Routes	Yes	Infrastructure - Road transport	Transportation	7 000	-	-	renewal
Technical Services		And Design Of PTP Priority Routes	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	25 000	30 000	80 000	renewal
Technical Services		Public Transport Connector Roads	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	15 910	new

MP322 Mbombela - Supporting Table SA36 Consolidated detailed capital budget										
Municipal Vote/Capital project	Ref	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	2014/15 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4		6	3	3	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Technical Services		R40 From Dr. Enos Mabuza To TUT	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	63 000	–	–		renewal
Technical Services		Kanyamazane: PT Transfer Facility	Yes	Infrastructure - Road transport	Transportation	10 000	40 000	15 000		new
Technical Services		Mabulu: PT Transfer Facility	Yes	Infrastructure - Road transport	Transportation	10 000	20 000	25 000		new
Technical Services		Servitude registration for White River bulk water supply pipe line	Yes	Infrastructure - Water	Reticulation	450	–	–		new
Technical Services		Upgrade Of White River Community Estate Water System	Yes	Infrastructure - Water	Water purification	800	–	–		renewal
Technical Services		Desilting System For Hazyview Raw Water Pumpstation	Yes	Infrastructure - Water	Water purification	900	–	–		renewal
Technical Services		Installation Of New Bulkwater Meters And Refurbishment Of Old Meters	Yes	Infrastructure - Water	Other	700	–	–		renewal
Technical Services		Optimization Of Kanyamazane Water Treatment Works Chemical Dosing Processes And Equipping Of Water Quality Laboratory (Kanyamazane)	Yes	Infrastructure - Water	Water purification	800	–	–		renewal
Technical Services		Installation of Water Reticulation Networks From Boreholes	Yes	Infrastructure - Water	Reticulation	1 000	1 100	3 500		new
Technical Services		Procurement Of Water SCADA System Phase 1	Yes	Infrastructure - Water	Other	1 000	1 200	5 000		renewal
Technical Services		DWA Refurbishment Programme Implementation Of The Water Conservation And Demand Management Programme	Yes	Infrastructure - Water	Other	13 158	8 772	13 158		renewal
Technical Services		Redesign And Refurbishment Of Umhlabisa Pumpstation	Yes	Infrastructure - Water	Reticulation	700	800	–		renewal
Technical Services		Scw 902 - Upgrades Central Zone - Old WTW Pumpline To Old Plat Rd	Yes	Infrastructure - Water	Reticulation	1 200	–	–	15'16'17	renewal
Technical Services		Scw 1201 - Water: Upgrades Sonheuwel Upper Plan	Yes	Infrastructure - Water	Reticulation	350	–	–	15	renewal
Technical Services		Scw 1301 - Water: Network Upgrading Giraffe Zone AC Mains	Yes	Infrastructure - Water	Reticulation	300	700	–	16	renewal
Technical Services		SCW 909 - Water: Upgrading Of 'Saffier' Ps (Beryl Zone)	Yes	Infrastructure - Water	Reticulation	–	450	–	15	renewal
Technical Services		SCW 1101 - Water: Upgrades in Nst ext	Yes	Infrastructure - Water	Reticulation	250	250	–	15'16'17	renewal
Technical Services		SCW 1301 - Water: Network upgrading Giraffe Zone AC mains	Yes	Infrastructure - Water	Reticulation	300	350	–	16	renewal
Technical Services		SCW 1302 - Water: Network upgrading Central Zone AC mains	Yes	Infrastructure - Water	Reticulation	–	400	–	15'16'17	renewal
Technical Services		SCW 1303 - Water: Network upgrading Nelsville Zone AC mains	Yes	Infrastructure - Water	Reticulation	–	400	–		renewal
Technical Services		SCW 1401 - Water: Bulk & Network upgrades	Yes	Infrastructure - Water	Reticulation	–	–	1 466	15'16'17	renewal
Technical Services		Reconstruction Of Section Of White River Northern Outfall Sewer	Yes	Infrastructure - Sanitation	Sewerage purification	1 500	700	–	28	renewal
Technical Services		Coltshill outfall sewer: Servitude compensation (Designs completed)	Yes	Infrastructure - Sanitation	Other	180	2 000	–	28	renewal
Technical Services		Purchase Of Plant And Equipment	Yes	Other	Furniture and other office equipment	500	700	750	Institutional	renewal
Technical Services		Chemical Dosing System At White River Waste Water Treatment Works	Yes	Infrastructure - Water	Water purification	500	–	–	28	renewal
Technical Services		Refurbishment Of Infrastructure Assets: Sanitation	Yes	Infrastructure - Sanitation	Other	500	750	6 000	Institutional	renewal
Technical Services		Scs 1013 - Sewer: Network Upgrading Ac Mains	Yes	Infrastructure - Sanitation	Other	250	250	–	14'15'16'17	renewal
Technical Services		SCS 910 - Sewer: Extensions To Existing Networks Development Needs	Yes	Infrastructure - Sanitation	Other	250	250	–	14'15'16'17	renewal
Technical Services		SCS 1013 - Sewer: Network Upgrading Ac Mains	Yes	Infrastructure - Sanitation	Sewerage purification	250	250	–	14'15'16'17	renewal
Technical Services		SCS 1402 - Sewer: Upgrade Bulk & reticulation	Yes	Infrastructure - Sanitation	Reticulation	–	–	2 024	14'15'16'17	renewal
Technical Services		Replace Small Plant And Equipment	Yes	Other	Plant & equipment	350	350	400	Institutional	renewal
Technical Services		Kaapsche Hoop Road: Widening, Geometric Upgrading And Reconstruction Of Section From Samora Machel Dr to Koraalboom: Design and	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	1 200	–	5 000	15	renewal
Technical Services		R40 Through Hazyview: Structural Analysis, Design and tender documents. (Damaged By Ore Carriers)	Yes	Infrastructure - Road transport	Other	700	–	–	1	new
Technical Services		Gedlembane Road - Msogwaba: Structural Analysis and Design	Yes	Infrastructure - Road transport	Other	750	–	–	22	new
Technical Services		Replace collapsed stormwater pipes and culverts in West Acres x 7, 8 & 30: Construction	Yes	Infrastructure - Road transport	Storm water	1 500	2 880	–	15	renewal
Technical Services		New Gabion Structure West Acres Spruit Design and construction	Yes	Infrastructure - Road transport	Other	–	2 000	2 100	15	new
Technical Services		Design of New Parking at Civic Centre - 3 donated stands	Yes	Other	Other Land	450	473	–	16	new
Technical Services		Repair of erosion damage - all streams in Nelspruit: Planning and Design	Yes	Infrastructure - Other	Other	1 000	1 100	3 500	15'16'17	renewal
Technical Services		Riverside 4 Switching Station	Yes	Infrastructure - Electricity	Transmission & Reticulation	439	5 700	–	14	renewal
Technical Services		Phumtani Switching Station	Yes	Infrastructure - Electricity	Transmission & Reticulation	439	6 140	–	14	renewal
Technical Services		Boschrand Heights Substation	Yes	Infrastructure - Electricity	Transmission & Reticulation	877	1 754	–	14	renewal
Technical Services		Montana Substation	Yes	Infrastructure - Electricity	Transmission & Reticulation	877	1 754	–	16	renewal
Technical Services		Electrification of households	Yes	Infrastructure - Electricity	Other	8 772	17 544	21 930	Various Wards	renewal
Technical Services		Eskom POS	Yes	Infrastructure - Electricity	Other	5 732	–	–	14'15'16'17'30 & 38	renewal
Technical Services		Public lighting infrastructure	Yes	Infrastructure - Electricity	Street Lighting	–	8 772	877	Various Wards	renewal
Technical Services		Upgrade of electrical offices	Yes	Infrastructure - Other	Buildings	263	263	–	Institutional	renewal
Technical Services		Distribution & safety equipment	Yes	Other	Fire, safety & emergency	351	–	–	14'15'16'17'30 & 38	renewal
Technical Services		Distribution & safety equipment	Yes	Other	Fire, safety & emergency	2 193	2 632	–	14'15'16'17'30 & 38	new
Technical Services		Smart meters (residential)	Yes	Other	Other	965	2 000	5 000	14'17 & 38	renewal
Community Services		Upgrade of Ablution and Nursery	Yes	Infrastructure - Other	Other	300	200	–		renewal
Community Services		Purchase of tree team equipment	Yes	Other	Plant & equipment	200	300	150		new

MP322 Mbombela - Supporting Table SA36 Consolidated detailed capital budget										
Municipal Vote/Capital project	Ref	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	2014/15 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4		6	3	3	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Community Services		Upgrade of storeroom facilities for machinery	Yes	Other	Other	600	350	250		renewal
Community Services		Ablution Facilities at Cemeteries	Yes	Infrastructure - Other	Buildings	500	500	500		new
Community Services		Purchase of trailers	Yes	Other	General vehicles	100	120	150		new
Community Services		Development of Nkambeni Cemetery	Yes	Community	Cemeteries	500	750	800		renewal
Community Services		Upgrade road to Rocky's Drift Cemetery and internal roads	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	600	-	-		renewal
Community Services		Alien Plant Control Equipment	Yes	Other	Plant & equipment	35	-	-		renewal
Community Services		Tekwane West Central Waste Disposal Site	Yes	Other	Waste Management	5 000	5 000	5 000	23	renewal
Community Services		Establishment of Waste Transfer Stations	Yes	Other	Waste Management	3 500	-	-	Ward 1 '16'30 & 33	renewal
Community Services		Waste Storage Facilities	Yes	Other	Waste Management	1 000	1 200	3 500		renewal
Community Services		Purchase of 20 Collapsible Structures Relief	Yes	Infrastructure - Other	Buildings	500	900	4 000		new
Community Services		Purchase of 40 Guard Houses	Yes	Infrastructure - Other	Other	350	450	450	1 to 39	new
Community Services		Purchase of 5 UPS for Traffic Technical	Yes	Other	Other	240	150	300	15	new
Community Services		Cash counting machines Licensing	Yes	Other	urniture and other office equipmen	78	-	-	All	renewal
Community Services		Purchase new 5 Traffic Controllers	Yes	Other	Other	300	360	400	15	new
Community Services		Upgrade of Traffic Technical	Yes	Infrastructure - Other	Buildings	300	-	-	15	renewal
Community Services		Artisan ablutions facilities	Yes	Other	Other	-	-	400	15	renewal
Community Services		Purchase of 1 New Heavy roll-back Breakdown	Yes	Other	General vehicles	-	-	750	1 to 39	renewal
Community Services		Purchase of 20 9mm pistols	Yes	Other	Security and policing	80	95	120	1 to 39	new
Community Services		Purchase of 20 Alco meters	Yes	Other	Security and policing	150	160	100	1 to 39	new
Community Services		Purchase of 20 Bullet Proof Vests	Yes	Other	Security and policing	100	110	75	1 to 39	new
Community Services		Purchase of 8 Speed Enforcement Machine	Yes	Other	urniture and other office equipmen	400	500	-	1 to 39	new
Community Services		Establishment of Public Safety Centre - Tekwane	Yes	Infrastructure - Other	Fire, safety & emergency	-	5 000	5 000		new
Community Services		Purchase of 4 Traffic motorbikes	Yes	Other	Security and policing	350	410	-	1'13'15'27'28 '29 '30	new
Community Services		Upgrade of Nelspruit Fire Station	Yes	Infrastructure - Other	Fire, safety & emergency	500	500	500	15	renewal
Community Services		Upgrade Kanyamazane Fire Station	Yes	Infrastructure - Other	Fire, safety & emergency	300	220	500		renewal
Community Services		Upgrade of White River Fire Station	Yes	Infrastructure - Other	Fire, safety & emergency	250	1 500	1 500	30	renewal
Community Services		Purchase of New Matsulu Fire Station Equipment	Yes	Infrastructure - Other	Fire, safety & emergency	450	550	600	17'18	new
Community Services		Purchase of Protective Equipment-EMS	Yes	Other	Fire, safety & emergency	220	260	300		new
Community Services		Upgrade of Emergency Communication Centre	Yes	Infrastructure - Other	Fire, safety & emergency	450	120			renewal
Community Services		Upgrade and Install Security, Personnel and Cash Protection System-Licensing	Yes	Other	Security and policing	500	500	-		renewal
Community Services		Installation of new security palisade fence - Licencing	Yes	Other	Security and policing	-	170	-		new
Community Services		Outsourcing of Motor Vehicle Records System	Yes	Other	Other	500	500	250		new
Community Services		Construction of new Community Halls	Yes	Community	Community halls	17 842	16 000	8 000	5'11'12'34 36	renewal
Community Services		Renovation of Civic Theatre	Yes	Infrastructure - Other	Buildings	250	200	-	16	renewal
Community Services		Purchase of new theatre equipment	Yes	Other	urniture and other office equipmen	150	150	-	16	new
Community Services		Upgrading of Van Riebeeck Park swimming pool (change rooms & buildings)	Yes	Infrastructure - Other	Swimming pools	2 500	-	5 000	All	renewal
Community Services		Swimming pool equipment	Yes	Other	Swimming pools	300	250	2 000	All	renewal
Community Services		Upgrading of existing courts and change rooms	Yes	Infrastructure - Other	Buildings	500	750	900	34'39'6 '17 '16'38	renewal
Community Services		Multi-purpose courts	Yes	Infrastructure - Other	Recreational facilities	500	1 000	1 200	16'17'13 34'39 '6 '38	renewal
Community Services		Computer P.O.S. system for Swimming Pools	Yes	Intangibles	omputers - software & programmin	150	300	200	16 '17' 15 '30 '1	new
Community Services		Purchasing of pitch covers	Yes	Other	Sportsfields & stadia	-	2 000	2 000	Institutional	new
Community Services		Installation of Epoxy floors	Yes	Other	Sportsfields & stadia	500	-	-	Institutional	renewal

Municipal Vote/Capital project	Ref	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	2014/15 Medium Term Revenue & Expenditure Framework			Project information	
			6			Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
R thousand	4			3	3					
Community Services		Installation of terrain lights, south and east	Yes	Infrastructure - Other	Sportsfields & stadia	700	-	-	Institutional	new
Community Services		Purchasing of vision mixer	Yes	Other	Other	140	-	-	Institutional	new
Community Services		Construction of athletics track, six lanes with civil works	Yes	Other	Sportsfields & stadia	-	1 000	3 500	Institutional	new
Community Services		Construction of parking	Yes	Agricultural assets	Other Buildings	500		1 200	Institutional	new
Community Services		Installation of dim lights restaurant	Yes	Other	Other	62	-	-	Institutional	new
Community Services		Upgrading of Salubindza Stadium	Yes	Community	Sportsfields & stadia	150	250	300		9 renewal
Community Services		Purchasing of Brushcutters and Ride on Lawnmowers for Community Halls	Yes	Community	Community halls	200	-	-	Institutional	renewal
LED, Urban and Rural Dev and Human Sett.		Job Linkage Centre	Yes	Infrastructure - Other	Other	-	-	-		26 renewal
LED, Urban and Rural Dev and Human Sett.		Building of Trade Stalls (i.e. Kabokweni, Mahushu, Plaston, KNP, Kanyamazane & other areas)	Yes	Community	Markets	1 000	1 700	3 000	33 ' 03' & 38	new
LED, Urban and Rural Dev and Human Sett.		Provision of Barber Stalls	Yes	Community	Markets	300	500	500	All	new
LED, Urban and Rural Dev and Human Sett.		Upgrade of KaNyamazane, Mosgwaba and Luphisi road	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	2 437	5 909	6 393	All	renewal
LED, Urban and Rural Dev and Human Sett.		Purchase of 300 foldable/collapsible structures	Yes	Infrastructure - Other	Other Buildings	1 000	1 800	4 000	All	new
LED, Urban and Rural Dev and Human Sett.		Drilling and commissioning of boreholes for water supply in farms within Mbombela	Yes	Infrastructure - Water	Water purification	500	700	-	Related Wards	renewal
LED, Urban and Rural Dev and Human Sett.		Design, plans and installation and engineering services in maggiesdal, whiteriver, coltskill and elandshoek	Yes	Other	Other	4 105	-	-	15 '33 ' 12	new
Corporate Services		Refurbishment of Nelspruit Civic Centre HVAC Plant	Yes	Infrastructure - Other	Buildings	1 000	1 250	1 563	Institutional	renewal
Corporate Services		Creation of office space	Yes	Infrastructure - Other	Buildings	100	-	-	Institutional	renewal
Corporate Services		Equipment for Medical examinations	Yes	Other	Furniture and other office equipment	500	600	200	Institutional	new
Corporate Services		Construction of brick wall and Palisade around Kabokweni civic Centre	Yes	Infrastructure - Other	Buildings	750	750	-	Institutional	new
Finance		Automated meter reading system for water and electricity meters	Yes	Other	Other	1 000	1 500	4 500	Institutional	new
Finance		Purchase of Furniture and Equipment and Insurance replacements	Yes	Other	Furniture and other office equipment	2 300	4 000	6 000	Institutional	new
Finance		Procurement of a National Treasury SCOA Compliant Financial System (ERP)	Yes	Other	Other	500	3 000	7 000	Institutional	new
Finance		Upgrade of mechanical workshop – municipal vehicles storage facilities	Yes	Infrastructure - Other	Buildings	1 500	1 500	-	Institutional	renewal
Finance		Procurement of fuel management system	Yes	Intangibles	Computers - software & programming	1 500	1 523	1 599	Institutional	new
Finance		Procurement of Fleet management system	Yes	Intangibles	Computers - software & programming	700	2 970	3 267	Institutional	renewal
Finance		Renovation of Nelspruit and White River municipal stores	Yes	Infrastructure - Other	Buildings	1 500	-	-	Institutional	renewal
Finance		Establishment of a one stop customer care centre	Yes	Other	Other	100	-	-	Institutional	new
Planning		Implementation of disaster recovery plan and business continuity systems	Yes	Intangibles	Computers - software & programming	1 500	200	1 200	Institutional	new
Planning		New and upgrading of ICT Hardware	Yes	Intangibles	Computers - software & programming	2 500	1 000	5 000	Institutional	renewal
Planning		New and upgrading of ICT software systems	Yes	Intangibles	Computers - software & programming	1 000	1 100	1 000	Institutional	renewal
Planning		Wireless connectivity to hazyview, kabokweni, kanyamazane	Yes	Intangibles	Computers - software & programming	450	1 100	-	Institutional	new
Total Capital Projects						522 517 328	458 580 089	554 114 610		

MP322 Mbombela - Supporting Table SA37 Consolidated projects delayed from previous financial year/s							
Municipal Vote/Capital project	Ref	Project name	Asset Class 3	Asset Sub-Class 3	2014/15 Medium Term Revenue & Expenditure Framework		
	1,2				Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand							
Parent municipality:							
List all capital projects grouped by Municipal Vote			Examples	Examples			
Community Services		Establishment of Waste Transfer Stations	Infrastructure - Other	Waste Management	2 000		
Community Services		Purchase of 5 UPS for Traffic Technical	Other	Furniture and other office equipment	210		
Community Services		Purchase new 5 Traffic Controllers	Other	Other	200		
Community Services		Upgrading of Van Riebeeck Park swimming pool (change rooms & buildings	Infrastructure - Other	Swimming pools	3 334		
Community Services		Swimming pool equipment	Community	Swimming pools	150		
Community Services		Purchasing of Brushcutters and Ride on Lawnmowers for Community Halls	Other	Plant & equipment	100		
LED, Urban and Rural Dev and Human Sett.		Job Linkage Centre	Infrastructure - Other	Other Buildings	1 000		
LED, Urban and Rural Dev and Human Sett.		Building of Trade Stalls (i.e. Kabokweni, Mahushu, Plaston, KNP, Kanyamazane & other areas)	Community	Markets	841		
LED, Urban and Rural Dev and Human Sett.		Design, plans and installation and engineering services in maggiesdal, whiteriver, coltshill and elandshoek	Other	Other	7 895		
Finance		Procurement of fuel management system	Intangibles	Computers - software & programme	1 200		
Finance		Procurement of Fleet management system	Intangibles	Computers - software & programme	2 000		
Finance		Establishment of a one stop customer care centre	Other	Other	400		

2.8 LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

2.8.1 In-year reporting

Reporting requirements in terms of the Municipal Finance Management Act and its regulations have been complied with.

2.8.2 Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Finance Department. Since the introduction of the Internship programme the Municipality has successfully trained 337 interns through this programme and a majority of them were appointed either in the Municipality and Institutions.

2.8.3 Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

2.8.4 Audit Committee

An Audit Committee has been established and is fully functional.

2.8.5 Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalized within 28 days after the approved annual 2014/15 and MTREF on the 05th June 2014 directly aligned and informed by the 2014/15 IDP and budget.

2.8.6 Annual Report

Annual report is compiled in terms of the Municipal Finance Management Act and its regulations.

2.8.7 Municipal Finance Management Act Training

The MFMA training module in electronic format is presented at the municipality's internal centre and training is ongoing.

2.8.8 Policies

All budget-related policies mentioned earlier have been tabled together with the approved budget before council on 05 June 2014, under item A(3).

2.9 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I F.S. Sibozo, Acting Municipal Manager of Mbombela Local Municipality, hereby certify that the annual final budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name FRANCE SGANIANDA SIBOZO
Municipal Manager of Mbombela Local Municipality (MP322)

Signature



Date

13/06/14